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IDEAS ON LIBERTY

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A Note on Jane Austen and the Importance of Freedom

We are in the midst of a Jane Austen revival. Several recent films based on her novels have been hits with both critics and the movie-going public. Many readers are discovering—or rediscovering—the wit and quiet charm of her prose.

Jane Austen appeals to us because her novels so realistically depict the life of the upper middle classes in early nineteenth-century England. An Austen novel may be compared to a Vermeer painting—rendered scrupulously from real life, with great attention to even the most minute detail. For example, Miss Austen never records a conversation between men alone without at least one woman present in the room. She apparently felt that women had no idea what men talked about when they were alone and hence was careful not to relate such exchanges.

Miss Austen's works can also be exasperating. One wonders how such delightful, wise, and witty heroines can be the offspring of such vain, silly, and inept parents. In her last completed novel, *Persuasion*, we find Anne Elliot, one of the most perceptive and resolute of Miss Austen's heroines. Anne's father, Sir Walter Elliot, on the other hand, is vanity personified. The only reading he has done in years is the entry about himself in the baronetage—an entry that is there, not for anything he himself has accomplished, but due to his inheritance. His greatest concern is facial wrinkles—how to eradicate his own and how to tolerate their appearance in others.

Emma Woodhouse, the heroine of *Emma*, is one of Austen's less prepossessing heroines. But compared with her father she is a model of intellectual brilliance and conversational eloquence. Mr. Woodhouse is capable of little else than moaning about his susceptibility to disease.

Elizabeth Bennett, in *Pride and Prejudice*, is Miss Austen's most popular heroine—and deservedly so. Her lively perspicacity and moral fortitude are the envy of almost every reader who has enjoyed her story. And her parents? Her father, Mr. Bennett, is depicted

as a near-recluse, driven to the shelter of his library because of his embarrassing wife. While Elizabeth Bennett is the model of intelligence and virtue, her mother is the epitome of shallowness and empty-headed vanity.

Jane Austen herself was aware of the irony presented by the differences between parent and child and tried in several of her books to explain it. Hence, Anne Elliot rises above her father in character partially due to the solicitous care and concern of her patroness, Lady Russell. Emma is described as having had a wonderful governess. Elizabeth Bennett spent much time in the library with her father, apparently learning much from both books and Mr. Bennett. But having a fine mentor or a remarkable teacher is probably not the whole answer.

The real explanation lies in the fact that these young heroines are, in their own way, as resourceful and as disciplined as any entrepreneur. Indeed, one distasteful aspect of Jane Austen's art for many readers is the almost businesslike way in which her characters approach the prospects of marriage. But the best of her heroines have prepared themselves with as much care and forethought as anyone ever starting a great enterprise.

Her heroines have, for the most part, mastered literature and languages; they are wonderful in conversation and in writing; they can play musical instruments; they are at least competent in a variety of sports and horseback riding; they are accomplished needlewomen; and they have thoroughly mastered the rather difficult social dances of their day. These young women are in the real world, the world of competition, of hopes, of chances.

But the framework of this mannerly world is artificial. Even though there are dashing soldiers aplenty, we seldom see even a hint of violence in Jane Austen. For a more complete picture we must go to the Scottish novels of Jane Austen's contemporary, Sir Walter Scott. Therein we witness the violence that maintains the artificial world so charmingly depicted by Jane Austen. But the result of that artificiality, so carefully removed from the violence and threat of violence that maintains

it, is decay. And that is faithfully recorded by the ever-observant Miss Austen.

After our heroes and heroines have married, they have little in their artificial worlds to challenge them. They sit and they talk; they play whist; they call on neighbors; they discuss politics, the weather, and, mostly, the neighbors. Above all, they remember and reminisce about what they once could do.

In a word, they cease to be Anne Elliot, Emma Woodhouse, and Elizabeth Bennett and degenerate into Mr. Elliot, Mr. Woodhouse, and Mrs. Bennett. How discouraging to think that the miraculous Miss Elizabeth Bennett might sink into the emptyheadedness of Mrs. Bennett once she marries and becomes Mrs. Darcy, mistress of the great estate of Pembroke.

In Jane Austen's world, the only real way to obtain a good livelihood was through inheritance, marriage, or to wrest it from someone else through military triumph. Nowhere do we find people advancing in society by entrepreneurial activity by meeting the real needs of people.

English society was to change greatly during the first half of the nineteenth century. With greater personal freedom came an increase in opportunity. The advancing Industrial Revolution created wealth and the prospect of trade. The subsequent repeal of the Corn Laws in 1846 made farming more competitive and ended the sheltered and protected existence for many large landowners.

In fiction we tend to view the ending that somehow ensures security for our hero and heroine to the end of their days as the "happy ending." Jane Austen's unforgettable portraits of Mr. Elliot, Mr. Woodhouse, and Mrs. Bennett remind us that a secure life in a stagnant society is not a happy existence. It can bring loss of capacity and character. It can engender hollowness, emptiness, vanity. It may mean living luxuriously, but being barely alive. It vividly reminds us how important it is to be free to fail until the day we die.

—MERRILL GEE

(Mr. Gee is an engineer in Salt Lake City.)

Free Trade to Benefit the Many—Not Fair Trade to Benefit the Few

By Dwight R. Lee

When asked, most politicians claim that they favor free trade. But they quickly add the qualification that it must also be fair trade, which generally means that we should open our markets to another country's products only if their markets are equally open to our products. This qualification makes sense politically because people are easily convinced that it makes sense economically. Why should we give other countries the opportunity to increase their employment at our expense unless they reciprocate? Unfortunately, this view misses entirely the real advantages of international trade. Furthermore, it reflects a serious political bias that distorts government decisions over a wide range of issues.

The advantage from trade with other countries does not come from selling more to them than they sell to us so we can create more jobs. The key to a successful economy has never been simply the creation of jobs. The ability to consume always exceeds the ability to produce, so there is never a lack of work to do. The key to a successful economy is directing people into the most productive jobs, those that create the most value for consumers. This is the real advantage of international trade.

We create more productive domestic jobs both when we sell *and when we buy* from other countries, and the more open the international trade arrangements the better for all countries. When country B restricts the import of American products it reduces its productivity as well as ours. But we only add to our productivity loss if we respond by restricting the ability of our citizens to buy products from country B.

Consider the fact that, despite political rhetoric, when we buy foreign products we create American jobs. It would actually be better for Americans if this weren't true. When Americans buy products from, say, Japan, we end up with products we value more than the dollars spent could have bought elsewhere, and the Japanese end up with more dollars (actually the one who sells yen to American importers to pay for the Japanese products ends up with more dollars, but this doesn't meaningfully alter the story). What do the Japanese do with these dollars? It would be nice if they treated them as collector's items, to be kept and admired. Then Americans could obtain valuable products by doing nothing more costly than printing up dollars, something so easy that even the federal government does it well. But the Japanese produce goods for Americans not because they want dollars, but because of what dollars can

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buy. Those dollars eventually come back to America as claims on goods produced by American workers, or as investments in America that create domestic employment opportunities. They may not all come back directly from Japan, but they do come back.

I don't deny that by restricting foreign imports we can save some American jobs. But because these jobs, by definition, cannot survive the demands of international trade they obviously don't create as much value as those American jobs that would have been created without the import restrictions. Foreign trade eliminates only those jobs that are producing goods which domestic consumers can import cheaper by shifting their effort into more productive employment elsewhere in the economy.

Unfortunately, the general benefits from unrestricted imports (lower prices for consumers and a more productive economy) are largely ignored by the political process, which sees imports as a threat to existing jobs. The problem here reflects a distortion inherent in the political process. Relatively small groups organized around a common concern, such as protecting profits and jobs in a particular industry, are well positioned and strongly motivated to communicate through the political process with a loud, clear voice. On the

other hand, the general consuming public is too large and too diverse in its concerns to communicate a clear and consistent message through the political process. If something threatens to concentrate a cost on an organized few while spreading a benefit over the unorganized many, politicians will hear from the few but not from the many.

This bias in favor of special interests over the general interest explains a host of political perversities. It explains, for example, the difficulty politicians have cutting spending programs, which tend to concentrate benefits on organized interest groups, in order to reduce the burden on the general taxpayer. And it certainly explains the political perspective on free trade, which emphasizes the advantage in protecting existing jobs over the far greater, but much more general, advantage of better choices for consumers and improved economic productivity.

If politicians could feel the gain of the unorganized many as intensely as they feel the pain of the organized few, a large number of government restrictions on our economic choices would be quickly eliminated. Restrictions on our ability to buy the best products at the lowest prices, whether produced at home or abroad, would be among the first to go. □

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Entitlements Versus Investments: A Parable

by George C. Leef

Imagine two nations. We'll call one Atlantis and the other Pacifica. They are similar in most respects, except one. The government of Atlantis has established a right to housing, which is provided free to all citizens. Houses are built by unionized government employees following plans and procedures approved by the Atlantis Housing Department (AHD). Citizens are assigned houses based on family size. They may modify the house (within certain limits), but it remains government property. If a family dislikes their assigned house, they may spend their money to build one or buy one that is not government property.

In Pacifica, in contrast, housing is not a right. The government neither builds nor subsidizes housing for anyone. Those who want shelter must buy it, rent it, or build it themselves. There isn't even a housing code to tell people how to build houses. There is no Pacifica Housing Department, since the people don't regard housing as any of the government's business.

Housing is an *entitlement* in Atlantis, whereas it is an *investment* in Pacifica. The important question is whether the people are better off with their "free" government housing in the former or their housing investments in the latter.

Cost

Housing is free in Atlantis—but does that mean it costs less? As economists have been pointing out for centuries, scarcely anything is really free. If scarce resources are used, the costs can be hidden, but they cannot be avoided. The funds expended by the AHD for construction and maintenance come from taxes that the government adroitly hides as much as possible through the fiction that businesses pay them. Nevertheless, the AHD has a prodigious budget, which means that it is soaking up a lot of resources that could have been used elsewhere.

The size of the AHD's budget is determined politically and the often-heard refrain, "We can't let our kids freeze," has helped to boost that budget much faster than the rate of population growth. AHD officials find "unmet housing needs" everywhere. Politicians who suggest that the budget be "cut"—that is, the rate of growth trimmed—can expect a salvo of motive-impugning attacks like "You're against decent housing!"

The vast AHD budget is an irresistible magnet for groups that would like money to flow their way. The various housing producers do very well. The National Edifice Association (NEA), a union of housing builders, is among the most powerful political forces in Atlantis and it has successfully lobbied for ever-larger work crews and ever-higher pay. The suppliers of materials have successfully

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lobbied for prevailing price laws, which mandate that the AHD purchase only the highest quality (and cost) materials from approved sellers. The AHD naturally needs a large number of highly paid housing inspectors, administrators, facilitators, and other experts.

In Pacifica, people invest their own money in houses. They contract carefully, making as sure as they can that they receive maximum value for their money. They shop around a lot, often driving down original bids and asking prices significantly. Housing producers and suppliers sometimes grumble about the “cut-throat competition,” but most stay in it.

The difference in systems and their incentives leads to quite a difference in cost. Per square foot, housing in Atlantis costs twice as much as it does in Pacifica. The funny thing is that many citizens of Atlantis express pity for Pacificans, who have to pay many thousands of dollars for their homes instead of receiving them “for free.”

Quality

In Atlantis, the housing quality is generally poor. The unionized workers know that their jobs are secure. The possibility of any disciplinary action for cutting corners is extremely remote. Most AHD inspectors are “reasonable” and don’t expect framing to be perfectly square or plumbing to be leak-free. After all, the inspectors aren’t the ones who will be living in the houses, so why stir up a lot of trouble? (An embarrassing fact is that many of the housing workers and bureaucrats own privately built houses.) Losing your job is only a theoretical possibility, even for the most egregious blunder, thanks to the union.

Therefore, when citizens of Atlantis move into their houses, they find them to be rickety, drafty, leaky, and sloppy. Most don’t complain, however. For one thing, complying with the procedures to register complaints is time-consuming and seldom leads to a satisfactory resolution. Moreover, the NEA and the AHD spend heavily in advertising each year to convince people that the houses they inhabit are designed and built by “dedicated professionals who really care” and are the best that

can be expected, given the many problems that those professionals must deal with (like defective tools, warped lumber, and so on). This has proven to be very successful and most of the people have come to believe that their free housing is the best they can expect. (Occasionally, there are nasty reports comparing the quality of houses in Atlantis with those in Pacifica, but such reports are invariably dismissed by intellectuals and experts as “fatally flawed” comparisons put forth by “housing elitists.”)

Pacificans are happy with the quality of their houses; indeed, high quality is taken for granted. Those who build, maintain, and repair houses compete vigorously for the consumer’s dollar and know that they have to monitor quality of workmanship carefully lest they commit a breach of contract. While not all Pacificans are fussy and demanding, enough of them are that it is too risky for a contractor to assume he can get away with sloppy work. The existence of some fussy, demanding housing consumers raises the standards in the market for the benefit of all. Contractors in Pacifica are directly accountable to their customers, fear lawsuits and loss of reputation, and therefore do good to excellent work. People who have lived in both countries unanimously report that Pacifica has much better housing.

Features

For many years following the establishment of a housing entitlement in Atlantis, houses continued to be designed along “traditional” lines. But, starting 20 years ago, politically influential theorists with ideas about the ways housing could be used to restructure and improve society began to assert themselves; now, housing design is very much a political question. The way houses are built has little to do with what the inhabitants might want and much to do with political clout of the many groups that stand to benefit if houses are built in accordance with their vision.

For example, environmentalists have prevailed upon the AHD to use substantially less lumber in framing houses in order to save

trees. The Environmental Coalition produced a study demonstrating that houses would be just as strong if 2×4 s were replaced by 2×3 s and they were more widely spaced. An advertising campaign showing trees crying at the approach of a logger carried the day, and thereafter, all houses were built according to "environmentally friendly" specifications. Unfortunately, lots of roofs have collapsed and walls have buckled. Some people have died in accidents due to weaker framing, but a proposal by the AHD to go back to the old standards has been tied up in the courts for years by the environmentalists, who say that we must not "turn the clock back."

The egalitarians have also weighed in. A famous University of Atlantis sociologist wrote a paper arguing that housing differences were a source of social division. Eventually, a bill called the Housing Harmony Act was passed. At first, it eliminated different styles, and by later amendment, different sizes of houses. Now, all houses must appear the same to passersby; some houses are actually bigger than others to accommodate larger families, but that is done by putting more rooms in basements. Now, no one loses self-esteem over the fact that his house looks smaller than others.

Some people have griped about this development. A few painted their cookie-cutter houses wild colors in protest, but that was quickly made illegal. (Now you can choose between two shades of tan.) Others, complaining about basement rooms, were silenced with retorts like, "Since when are you a housing expert?" or "Why are you against social harmony?"

In Pacifica, houses are built with the customer in mind. People can buy or build a house with any features they want (and can

afford). They get what they want, not what others have decided they should want.

Conclusion

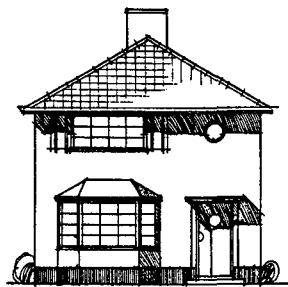
Other revealing comparisons could be made, but let's stop here and assess the relative situations. In Atlantis, housing is an entitlement. It is "free" to the citizens, but costs a lot and is of poor quality. Since politics drives the decision-making process, housing is built less to satisfy the occupant than it is to satisfy important political constituencies. Housing is a poor value and getting worse.

In Pacifica, housing is an investment. People spend their own money directly and make sure that they get the most value they can for it. Given their budgets, they get the best, most satisfactory housing they can. The wealthy live in mansions and the poor in very modest homes, but the housing for everyone is solid and functional.

These differences are not accidental. They aren't a matter of the individuals involved or the cultures of Atlantis and Pacifica. The differences are *systemic*.

Turning housing into a "free" entitlement necessarily changes the incentives of people. If you can get what you want through politics, people behave differently than if, to get what you want, you have to contract or cooperate with individuals who are free to say no. For that reason, consumers will always get better housing—or any other good or service—when they are investing their own money in it as opposed to accepting it as an entitlement that has been shaped by others.

Atlantis and Pacifica are imaginary, but can you think of anything your government provides as an entitlement that should be an investment? □





How We'll Know When We've Won

“Are we winning?” That’s a query I hear almost every time I speak to an audience about liberty and the battle of ideas. Everyone wants to know if we should be upbeat or distraught about the course of events, as if the verdict should determine whether or not we continue the fight. Too many friends of liberty rely on the prevailing wind to tell them whether, when, and how to proceed—and even how to feel about it at any given moment.

Personally, I take a long-term, optimistic, even-tempered, and self-directed approach that doesn’t depend upon the rest of the world. Each of us ought to do all we can to advance the cause and then let the proverbial chips fall where they may, taking comfort in the fact that we did our best as individuals, regardless of the outcome. Moreover, I remain supremely confident that, as FEE’s Leonard Read put it, “truth will out” and liberty will indeed triumph *because it is right*. Pessimism is a self-fulfilling opiate anyway, so I never let it enter my mind.

But this begs an even more important question, one posed to me recently when I cited powerful intellectual trends as evidence that we are indeed winning. The question was, “How will we know when we’ve won?”

In the largest sense, “winning” means achieving a civil society in which people both preach and practice respect for life and prop-

erty. It means we each mend our own ways and mind our own business. It means we rely upon voluntary association and individual compassion, not coercive arrangements and political redistribution. It means minimal government and maximum self-reliance. And when we get there, the battle of ideas will still not be over because people, being less than perfect, can always *unlearn* the truths they’ve learned.

In a narrower, more concrete sense, we’ll know we’ve won when very specific changes—in thought and policy—have come about. I’ve compiled a few here in a list that is by no means complete. Consider it nothing more than a beginning.

We’ll know we’ve won:

- When “liberalism” once again is synonymous with liberty;

In his *History of Economic Thought*, Joseph Schumpeter noted that liberalism initially described the view of those who believed that “the best way of promoting economic development and general welfare is to remove fetters from the private enterprise economy and to leave it alone.” In today’s American parlance, it means quite the opposite. Schumpeter regarded it as “a supreme, if unintended, compliment” that “the enemies of the system of private enterprise have thought it wise to appropriate its label.”

Liberalism is too good a term to allow it to be the booty of statist. Let’s retake it, and let those who fight to preserve the failed big government status quo be known as the real “conservatives.” When that happens, we’ll

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have won much more than just the semantic high ground.

• **When “public service” is regarded as what one naturally does in the *private* sector;**

Government employment, even when the employee is running roughshod over the rights and property of others, wears the prestigious mantle of selfless service to humanity, a cut above what motivates people who *don't* work for the government. But in many cases, a government worker's genuine *public* service actually begins when he secures an honest living in the *private* sector—producing goods and providing services that improve the lives of others who patronize him because they choose to, not because they're forced to.

Conquering diseases, inventing labor-saving devices, feeding and clothing millions, and countless other private, often profit-motivated activities are no less indicative of service to the public than just about anything the government does. The next time someone tells you he's running for office or seeking a government job, ask him if this means he is planning to leave public service.

• **When an “entitlement” is a paycheck, not a welfare check;**

My hat's off to whoever started the bad habit of calling government handouts “entitlements.” The term cleverly solidifies and perpetuates the very programs it labels—programs that take something of value from those who earned it and bestow it on those who didn't earn it and may even value it less.

A paycheck for work performed is a genuine entitlement. A claim against that paycheck by those who would rather vote for a living than work for one is neither genuine nor something to which one is entitled in a free society. Let's correct the thought patterns that allow the current misuse of the term to undergird the modern welfare state.

• **When citizens muster at least as much interest in a *spending* revolt as they often exhibit for a tax revolt;**

Almost everyone favors lower taxes, at least for himself, but that doesn't necessarily mean everyone also favors less government spending. Sometimes, the same people who advocate lower taxes are in line for whatever they can slurp from the public trough.

It's not enough to ask your congressman not to take from you. You must also demand that he not *give* you anything either, at least nothing that isn't rightfully yours in the first place.

• **When government stops distributing its coercive powers to special interests;**

Government isn't the only outfit that employs legal and often unwarranted force against people. Others do it, too, if government first grants them the power to do so.

The best example is today's labor unions. With special privileges given them by government, they force millions into their ranks or into financially supporting causes to which they may object. For instance, the U.S. Supreme Court affirmed in its 1988 *Beck* decision the right of each and every worker not to be assessed a penny by his union for political activities without his consent, but almost no one at any level of government seems interested in enforcing that ruling.

We should work for the day when a citizen's *Beck* rights are widely regarded to be as important as his *Miranda* rights.

• **When self-improvement is understood to be the indispensable first step to reforming the world.**

If every person set about to make himself a model citizen, he would have a full-time, lifetime job on his hands. Many succumb, however, to the temptation to meddle in the affairs of others—and even the best of intentions often ends up yielding conflict and harm.

The steady progress of mankind derives from the progress of *individual* men and women who, one at a time, decide to make the best of what God gives them. Be a model, not a burden, and watch how quickly you encourage others to be the same.

A pretty tall order, you say? Yes, it is, and there are plenty of other benchmarks I could have added to this list to make the order even taller. Few things that are worthwhile are attained or retained easily. Winning the battle for liberty is among the most animating contests I can imagine, in part because the benchmarks along the way are as right as is the ultimate objective. □

Transit's Transition from Socialism

by Daniel B. Klein, Adrian T. Moore, and Binyam Reja

In the United States, transit services have long been in decline. Despite federal, state, and local subsidies to municipally owned bus services, ridership has been dwindling and productivity has declined. The traditional approaches to running transit systems—government planning or operation of bus and rail, government subsidization of private operations, and heavy regulation of all transit modes—have failed, and there is little hope of their coming right.

Street-based transit in the United States today is predominantly bus service, but at other times and places streets have also been serviced by smaller vehicles that follow a route but not a schedule—called jitneys. Jitneys have numerous advantages over buses. They are smaller and speedier, stopping less often and negotiating traffic more adeptly. They are highly flexible in their entry and exit from the market, and can respond immediately to market conditions. A jitney may be nothing other than an ordinary sedan driven by a commuter on his or her way to work, stopping to pick up paying passengers. American transit policy has forsaken jitneys.

International events of the past ten years have been an object lesson in the limitations of government enterprise. The whole world moves toward the market economy. Yet in

urban transit in the United States, we still have heavy government intervention and, if you will, socialism. How do we make a “transition” to a market economy in urban transit?

Establishing Private Property Rights

A functioning market depends on private property rights. A fundamental resource of the transit sector, a resource too long ignored by transportation scholars, are the curb areas, bus stops, and sidewalk areas where passengers congregate and vehicles stop. Scholars have taken for granted the government ownership and management of these resources. But why not let these resources be governed by market forces operating within the rule of law? The way to give a sound foundation to a bona fide market in urban transit is to establish privately held rights in curb zones and bus stops.

Local officials must not only encourage private management of these resources, but also give legal definition to the resources and enforce rights held therein. Local policymakers need to discover a legal framework within which a system of free enterprise will function. Even the free-market theoretician Friedrich Hayek sees an important role for legal constructivism on the part of government: “The functioning of a competition . . . depends, above all, on the existence of an appropriate legal system, a legal system designed both to

Daniel Klein, Adrian Moore, and Binyam Reja are the authors of Curb Rights: A Foundation for Free Enterprise in Urban Transit, recently published by the Brookings Institution.

preserve competition and to make it operate as beneficially as possible."

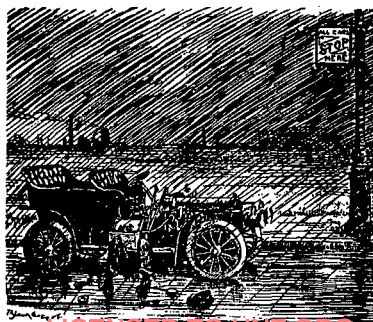
An important feature of transit service is generating passenger congregations, that is, sufficient riders at scheduled stops to form a kind of critical mass of ridership. But to succeed, a service provider's investment in cultivating passenger congregations through dependable service, advertising, and so forth, must be recoverable. It must be protected from interloping by jitneys. This protection depends on the nature of curb rights. Variations in curb rights explain a wide diversity of transit experiences.

Many studies of transit markets show that transit services are gored by one of the two horns of a dilemma. Some markets enable scheduled operators to appropriate the value of passenger congregations, but this is achieved by granting them exclusive rights, not only to waiting passengers at specified curb zones, but to the entire route. This is the predominant arrangement in the United States today. Thus the first horn of the dilemma is transit monopoly.

Other transit markets avoid all regulation and have a sort of lawless competition. This occurs in some less developed countries and in illegal jitney markets in New York. Lawless competition precludes monopoly and indeed gives rise to freewheeling services like jitneys. Yet it impales transit service on the other horn of the dilemma. Scheduled service does not cultivate passenger congregations because constant interloping will expropriate the investment. In densely populated markets, transit services are somewhat chaotic and unpredictable. In sparse markets, the interloping totally destroys the market, like a parasite consuming its host; unless there are subsidies to bus service, the result is no service at all.

The horns of dilemma can be avoided, however, by a locally planned system of property rights. American cities can have the best of both kinds of markets—scheduled bus service, and unscheduled but faster and more flexible jitneys. The solution is based on a new idea: create exclusive and transferable curb rights (to bus stops and other pickup points) leased by auction. This way scheduled service would have exclusive protection where its passengers congregate, and jitneys would be able to pick up passengers elsewhere along the route, at curb zones designated as commons. Curb rights holders would be free to contract with bus companies and other service providers. They would do so as they see fit. Once a sound foundation of property rights is established, central planning becomes unnecessary.

The proposed system would give life to transit entrepreneurship. Within the property rights framework based on curb rights, entrepreneurs would be free, able, and driven to introduce ever-better service, revise schedules and route structures, establish connections among transit providers, facilitate passenger interchange, and use new pricing strategies. Alongside scheduled bus service, jitneys would respond flexibly to weather, time of day, special events, and other changing conditions. They would offer service on a short-term basis, fill market niches, provide courtesy door-to-door service, or simply pick up customers on the way to work—whatever the market would bear. Yet the plan would avoid the problems associated with lawless competition, like interloping, chaos, conflict, and lack of trust. Within a suitable framework of property rights the invisible hand will be able to do in transit what it does so well in other parts of the economy. □



Slugging It Out

by C. Daniel Bradford

Several years ago I was transferred by the military from Georgia to the Washington, D.C., area. Because real estate is so expensive in the area immediately adjacent to the capital, most people live in the outlying bedroom communities. As the head of a large household I was forced by economic necessity to move to one of these communities. My first day driving to work gave me a taste of how bad the traffic can be here. It took me 2½ hours to drive the 25 miles from my house in Prince William County to my office in Arlington. My average one-way commute was between 75 and 90 minutes.

I knew there had to be a better way. As I looked for alternate ways to get to work I studied the different options, including Metro Bus and Northern Virginia Rail.

As a Metro Bus rider, I would have to drive my car to a "Park & Ride" lot purchased by tax money, and then get on a bus to Washington, D.C. The bus is inconvenient and the one-way cost is more than I pay for gas for a round trip in my car.

Years ago a rail line into Prince William County was proposed to alleviate the traffic congestion on I-95. After many delays, it is now in service, but the fare is more than the bus, and there is serious talk of charging riders to park their cars in the rail station lot. To top it off, the rail that carries passengers into D.C. is not the same line that runs through D.C., so I wouldn't be able to directly transfer to another line.

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From Intervention Comes Opportunity: The "Slug" Line

To relieve traffic congestion on I-95 the State of Virginia built a separate set of traffic lanes that flow north in the morning and south in the evening. Legal use of these lanes during peak hours requires at least three people in the car. These lanes are called HOV-3 lanes, or High Occupancy Vehicle-3 persons. These lanes travel at a much higher average speed and are much less congested and less prone to accidents.

Individuals who work in the metropolitan area drive to commuter lots in their communities and park their cars. They then stand in a queue and wait for drivers who are traveling to their general destination. As a driver comes to the queue he announces his destination and how many riders he needs. Riders join the driver and they enter the HOV-3 lanes.

This system works. The riders need to get to work. The driver wants to drive his car and needs extra riders to use the HOV-3 lanes. The driver drops off his riders and everyone goes on his way. No money is exchanged. Each has benefited from the voluntary exchange: the riders (slugs) get to work and don't have to worry about driving or parking and the driver (slugger) gets the use of his car and the legitimate use of the HOV-3 lanes. In the evening the process is reversed. In the 30 years riders have been slugging it out, there has not been a single reported incident of violence. I find it saves me about a half hour when I pick up slugs. I have never had to stand in the "Slug Line" for more than ten minutes.

Several years ago I was in a store that has a parking lot that is used as a commuter lot. I thanked the owner for allowing us to use his parking lot as a "Slug Line." He said that a few years before, agents of the government bus service asked him to refuse the use of his parking lot to the "Slug Line." They found it was significantly cutting into their ridership. They wanted a more captive clientele. The store owner refused, and the "Slug Line" in that area continues.

The "Slug Line" may not be for everybody, but it provides a market solution a great many prefer over the government solutions to the traffic congestion in northern Virginia. □

Letters from Russia

by Dennis L. Peterson

Grigory enjoyed studying English. He also wanted to write, especially if it would help him improve his English. One day, near the end of 1979, his love of the language and his desire to write led to a clash with Soviet authorities.

"I was at the post office," Grigory recalls, "and suddenly noticed that a woman in front of me in the line was having her letter registered with the address written in English on the envelope. She was mailing a letter to someone in the USA!"

Grigory had long dreamed of corresponding with an American. An idea flashed into his head, and he began to memorize the name and address on the envelope. When he got back home, he immediately wrote a short letter to the man, a John Geiss, asking for his help in finding an American pen pal.

"Of course, I never received any reply," Grigory explained in a letter to me, "for the simple reason that my letter never got to that man, and, as I understood later, it had not reached any farther than the Krasnodar Territorial KGB department."

Later, in the summer of 1980, a short, bald man visited Grigory at his home and "invited" him to the local police station for a "conversation." Right away, Grigory knew that the man was a KGB officer from the nearby city of Krasnodar.

"At first, he asked me a few questions about my life, about the amount of my disability pension, about my service in the Soviet Army,

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and about [an] accident that happened to me in the Far East. Then he asked me about why and how I had learned English and what kind of books I liked to read.

"I already knew what I should answer him. I told him that I enjoyed reading books by Soviet writers translated into English, then I named the titles of some very 'Soviet' books that proclaimed the communist ideals and several procommunist newspapers, such as the *Moscow News Weekly* and the British *Morning Star*.

"The man seemed quite satisfied. But then, toward what I thought was to be the end of our 'conversation,' he asked me straight, 'Who is John Geiss?' I told him *almost* the whole truth about getting the address at the post office and of my desire 'to brush up on my English' by exchanging letters with a native speaker."

Grigory's "conversation" with the KGB lasted for two hours before they were finally convinced that he was not a dangerous criminal or an enemy of the state and released him. But their method had been effective in subduing yet another innocent but inquisitive citizen; Grigory did not try again to write to anyone outside the Soviet Union until 1994, well after the fall of the Soviet regime.

Meet Greg

I first became acquainted with Grigory ("My friends call me Grisha or Greg") when in 1994 I responded to a notice in *Focus on the Family* magazine seeking people interested in helping common Russian families by becoming their pen pals. Greg's applica-

tion to the program revealed that he was my age, was married, and had two young children—very similar to my own family situation. Most importantly, he added, “I’m fond of reading (I can’t live without books).” Upon our first exchange of letters, we became friends, and our correspondence continues to this day.

Greg was born November 22, 1954, in Krasnoarmeiskaya, a small town about 50 miles southwest of Krasnodar, Russia, about an hour’s drive from the Black Sea. His mother died of cancer when he was a teenager, and his father died five years later. As a teenager, he worked for a brick mason by day and at night listened surreptitiously to broadcasts by the British Broadcasting Corporation (BBC), the Voice of America, and Radio Free Europe. He also was able to obtain underground literature (manuscripts and photocopies) that found its way into Russia in one way or another.

“Even as a teenager, I could sense that everything was NOT really that which the ‘officialdom’ had been trying to ‘feed’ into my mind,” he wrote in one letter. “I was puzzled that so many Russians had been leaving for ‘the rotting West’ but almost NONE had been coming over to ‘the Socialist paradise’ from Western countries. Why was the KGB jamming mercilessly the Russian-language programs of the BBC, the Voice of America, and Radio Free Europe? I was inclined to think that they had done the jamming because they didn’t want us to hear the truth. . . . And they succeeded in it all right because many things have become known to us ONLY after the perestroika had begun. It made me so uneasy that I decided to start learning English.”

In 1973, Greg was drafted into the Soviet armed forces. There he served in a special unit called a “team special” of the “internal troops,” which were responsible for tracking and capturing dangerous criminals accused of murder and robbery. During his military years (through 1977), the doubts that he had first had as a teenager about the Soviet economic and political system only intensified. Also, in 1976 and 1977, he experienced an “adventure” that was to change his life forever.

A Young Soldier’s Ordeal

One day, while he was stationed in the Far East, his unit was ordered to pursue and recapture “two dangerous criminals who had escaped from jail.” During their escape, the two men had killed a taxi driver, stolen his cab, and used it to speed their escape. They also robbed several shops along the way and killed a shop assistant. They fled into the *taiga*, an area of dense forests between the tundra and the steppes. Nature intervened, however, and they were caught in a terrible snowstorm. Their corpses were found later in the *taiga*.

Meanwhile, Greg and three of his fellow servicemen had also been lost in the storm. Fortunately, they stumbled upon a hut in the wilderness, and all but one of them survived the storm and were rescued three days later. They were taken to a hospital suffering severe frostbite, especially on their hands and feet. Each of them lost digits or limbs as a result of their ordeal. Greg spent 20 days in the intensive-care unit. Over the next four months, he underwent three operations on his hands, leaving him with no fingers, only stubs.

While in the hospital, Greg became deeply depressed and even considered committing suicide. What could he do with such a handicap? How could he marry, rear children, and have a normal family life when no woman would want a husband with such an appearance and physical limitations? But a nurse in the hospital encouraged him to continue his struggle despite his handicap. It was then that he decided to pursue with gusto his study of English.

Later, he met his wife, Valya, who was a saleswoman in a local public catering establishment. They now have two young children, a daughter, Natasha, and a son, Vasya. On Greg’s meager disability pension of approximately \$100 a month and what little income he can derive from teaching martial arts to local students (a “forbidden” activity that resulted in his arrest several times in 1985–86), teaching English, and translating various consumer product manuals from English to Russian, they live on a plot of land in Krasnoarmeiskaya. They manage to get through the winters on the yield of their vegetable

garden, fruit orchard, and various poultry they raise.

Persistence

In spite of economic hardships, Greg always finds ways to further his pursuit of English, primarily through reading books, many of which were forbidden during the "stagnation period" of Leonid Brezhnev.

"It is no joke," Greg emphasizes, "to have lived so many years under the pressure of the 'Soviet ideology,' which, in essence, was an ideology of the herd: 'the whole country is building socialism, and you are sticking out with your selfish and petty problems!' That idea was often suggested in the Soviet literature and in the Soviet cinema, putting the individual good aside and proclaiming and eulogizing the nebulous good of 'the entire Soviet people/nation.' There was no room in that ideology for an individual with his own concerns and problems."

Today he reports, however, that "the information is more truthful than it has ever been; owing to the 'glasnost,' there are no 'forbidden themes.' It is very easy to get any books *in Russian* on almost any subject that may interest me, but it is extremely difficult, next to impossible, to get good books (especially original works by American authors) *in English*."

That's why he is so eager to maintain a fervent correspondence with me. I have tried to supply him with a regular flow of good reading material: newspaper and magazine clippings, classic American novels, religious and philosophical works, copies of *The Freeman*, Henry Hazlitt's *Economics in One Lesson*, and more.

"I seem to have become 'addicted' to our correspondence," he once wrote, "and I begin to feel uneasy if I haven't received a letter from you within a certain period of time. Each of your letters is just like a good 'dose' of a drug, indeed, which makes me experience some kind of euphoria and lifts my spirits for the next few days."

Greg especially wants to know of any mistakes he might make in his letters. He regularly asks me to critique his letters and to point

out any errors in his usage and vocabulary, a difficult task because he commits so few errors.

Much of what Greg writes concerns the economic and political conditions in his country.

"I hope that these reforms are becoming irreversible," he states. "I am all for these reforms even just because I may read whichever books I wish to read, watch any movies I choose to watch, do my kung-fu exercises without making a secret of it. . . ."

"Today, many people are complaining in Russia that the life has become more difficult than it had been under the 'Soviet Power.' (Those who had endured much suffering during the communist regime don't think so!) They are now sitting around and doing nothing, waiting for President Yeltsin and his government to guarantee them a new and happy life, having become accustomed to the promises of the communists to lead the Soviet people 'through all the temporary difficulties straight to the radiant future.'"

"Of course, there are a lot of problems in Russia today," Greg concedes, "and many people have to rack their brains about solving their 'meat-and-potatoes' problems of everyday living. Nevertheless, life is going on. Frankly, I prefer to be 'a free man conducting my own life' rather than live like a rabbit in a cage, which has a lot to eat and a lot to drink but has no freedom."

Optimism and Realism

Greg is eternally an optimist: "Although my financial situation has changed but very little (for the better) since the disintegration of the Soviet Union, I think that life, on the whole, has turned for the better in Russia."

He is also quick to recognize the problems that have accompanied the coming of the new freedom: "Too many people have mistaken freedom for permissiveness, and a lot of them take advantage of the situation. You know, this rapid 'switchover' from communism to capitalism has been like 'a bucket of cold water pouring over one's head' for many people. Some people who had been quite satisfied and self-assured under Soviet power



Greg, with one of his children.

are at a loss now; many of them have become frustrated and have gone 'on the sauce,' becoming alcoholics and drug addicts, but others (mostly those people who had been 'losers' in Soviet times) have become rich during the 'transitional period.' It is rather interesting to observe this process. . . . In my opinion, the free market gives people more chances to succeed in life than our 'developed socialism' had given to the Soviet people. (One has only to have 'a good head on one's shoulders' and not be a sluggard—'consider the ant.')

"Our Russian tragedy over the decades," Greg speculates, "is perhaps due to our 'short memories' and 'unlimited patience.' Just a few years have passed, but many people must have already forgotten the empty shelves in shops, the food cards, the soap cards, etc. There were times when we couldn't even buy a bar of soap without a special 'soap card' permitting one to buy ONE bar of soap per month for each member of a family. That was the condition to which the communists had brought our country!

"The individual's rights, interests, and aspirations were considered 'low and selfish' in the great light of 'building socialism' on the way to the 'radiant future.' Where is that

future now? It is almost as far away as it had been before, and if 'the glorious communist party' takes over again, there may be such a horrible bloodshed as the world has never seen.

"Perhaps it isn't easy for you to understand how an entire nation could put up with the regime," Greg suggests, "because you've never experienced that kind of oppression and never lived in *Soviet* Russia (God forbid!). The 'all-powerful tentacles' of the KGB had eyes and ears in practically every community, enterprise, and office. Any dissidence was nipped in the bud mercilessly and (I must admit) most effectively, even to the point of arresting anyone who made the slightest negative comment.

"There was also another factor: it had been some kind of mass hypnosis, some kind of psychic phenomenon. Many people *TRULY* believed in the 'glorious communist party and its great achievements on the way to the well-being of all the Soviet people.' Communism was the *religion*; to be more exact, a very wisely and adroitly (cunningly) designed substitute for religion."

Hope for the Future

As much as Greg favors the economic reforms, he fears that they are going too slowly "and not quite the way they should be going."

"I'm inclined to think that what we now have in Russia is neither communism nor capitalism. Some people will call the current situation *bardak*, a very strong Russian term meaning 'discord' or 'chaos.'"

In the midst of these confusing times, however, Greg's love of learning and language and his desire for self-improvement continue to sustain him.

"It had been my dream for years to have pen friends in the United States, in fact, since the day when I started learning English. Who would have been able to foresee that 24 years later (in spite of the so-called Iron Curtain, Cold War, and arms race) I would have gotten pen friends in America! Can you imagine that just six or seven years ago I might have been arrested for any connections with Americans?

When I first started learning your language in 1970, the Soviet communist power was very strong, and it was just incredible to imagine that some day one would be able to correspond with Americans and, all the more, to receive boxes, packages, or parcels from America!”

In another recent letter, he revealed that he was planning to use his enthusiasm and abilities with English to improve his economic situation.

“I’ve decided that I should do what I can do best—teach your language to those who would want to learn it. I’m going to insert an ad on local TV, the so-called ‘running line,’ which will say something like this: ‘ENGLISH LESSONS. SPECIAL METHOD AND PROGRAM. SPEAK, READ, AND WRITE ENGLISH. EXPERIENCED TEACHER.’”

Somehow, I believed, he would succeed as an educational entrepreneur. My faith in him

and the free market was not misplaced. In the most recent letter from Russia, Greg reported with pride that as the result of running his TV ad, he had garnered three students for his private language lessons. When his next disability check arrives, he plans to run the ad again. Meanwhile, his kung-fu classes are opening for a new season. And he’s planning to write an article for *The Freeman*.

Who knows how many more fellows like Grigory there are in the former Soviet countries, just waiting for a continuing contact with someone in the West who will help them learn and apply the freedom philosophy. An entire generation suffered under totalitarianism; now we have the opportunity to help the new generation make the most of their fledgling freedoms. Perhaps they will be the ones who will develop Russia into an example of freedom in action from whom even Americans can learn some valuable lessons. □

Reflections on a Failure

by Donald G. Smith

The waning days of the twentieth century will undoubtedly bring a spate of books and articles on the people and events that shaped the era. Certainly the two world wars will be high on the list for examination, along with radio and television, air travel, transcontinental highways, and motion pictures. There will be new biographies on such century-molders as Churchill, Roosevelt, Marconi, Lindbergh, Einstein, Edison, Ben-Gurion, and Hemingway.

I would submit as an entry one that prob-

ably outshines them all: the failure of socialism. Had socialism merely been tried in some remote commune and allowed to die a quiet death, the significance would not have been so great. But socialism failed on center stage before a packed house. It was undeniable, it was conclusive, and it was probably the biggest flop in recorded history.

Socialism had a run that lasted from 1920 until 1991. The Union of Soviet Socialist Republics had an opportunity to succeed unmatched by any social or economic movement. For nearly 70 years, the Soviets had absolute control over a landmass greater than that of the United States and Canada

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combined. They had no political opposition, offering a clear shot at effecting any plan that they wanted to put into action.

The Soviets possessed immense national resources, including the largest forested area in the world. No single continent could begin to match the standing timber resources that lay within the boundaries of the U.S.S.R. Yet, they were forced to import lumber from Sweden. Our own State of Washington turned out more board feet of lumber in any year of the Soviet Union's life span than the entire socialist operation could get to the sawmills.

In minerals, an enormous potential was again largely untapped. The Soviet Union contained copious supplies of virtually every important mineral within its borders. Despite possessing 53 percent of the world's supply of iron ore, the U.S.S.R. lived with a chronic shortage of iron and steel products. The Soviets also led the world in crude oil and natural gas reserves—again, resources that remained largely in the ground.

Other riches included an estimated 800 million tons of manganese, as well as generous deposits of gold, silver, tungsten, mica, copper, nickel, and molybdenum. Within Soviet borders lay more than 60 percent of the earth's phosphatic rock resources, but little was put to use.

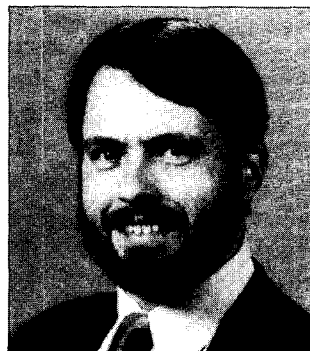
Soviet agricultural potential staggered the imagination, but the country could not feed itself. Its citizens suffered constant shortages because farmers were unable to grow enough food and could not bring what they did grow to the consumer.

The underlying cause of this colossal failure can be described in one word: socialism. Because of a top-heavy and strangulating bureaucracy, minerals remained in the ground, trees stayed in the forests, and crop yields were always below expectations. Manufactured goods were shoddy, behind schedule, and forever in short supply. Elevators

didn't work, buses and trucks broke down constantly, and the telephone system was about on a par with that of Bolivia. Much has been written about the perennial housing shortage and there wasn't the slightest hope of improvement at the time of the Soviet breakup. Two, sometimes three, families shared a bathroom in 1991, a rate unchanged since 1920.

Socialist apologists like to offer the "Great Patriotic War" as an excuse for the lack of economic development. After all, they argue, the nation was largely destroyed by the German invader and therefore no one can reasonably expect an economy to bounce back from such an onslaught. We might ask, however, why the Soviet Union couldn't defend itself against a much smaller nation that was fighting a two-front war. The Soviets had a great advantage over the Germans in natural resources and most certainly in manpower and yet they were soundly beaten on their own home ground for the first two years of fighting; or until the Germans simply ran out of gas. They had been in power for 20 years, the German invader for only seven. What had they been doing since 1920?

When we read the story of the Soviet Union, we usually see the terror of Joseph Stalin highlighted and, of course, the great red menace that spread its shadow across the landscape. The whole sorry operation would certainly receive the lowest marks on any scale of humanity and common decency. More important in the long run, however, is the failure of socialism. The one time that it was given a green light, the chance to show what it could do without a shred of opposition, it fell flat on its face. The 70-year span of the U.S.S.R. proved conclusively that socialism is an idea whose time will never come because it doesn't offer the slightest incentive for anyone to make it work. Common sense tells us that this is true. The increasingly distant memory of the Soviet Union proves it. □



Medicine for the Sick

The Drug War: seldom has so much harm been done to so many for so little purpose. Among the most tragic victims are the sick and terminally ill who desire marijuana to ease their pain. Consider Todd McCormick. Though only 26, he suffered through ten bouts with cancer, beginning at the age of two. He first smoked marijuana to relieve the dizziness and nausea caused by his treatment for a chest tumor. Now cancer-free, he still endures constant back, hip, and neck pain. Without marijuana he couldn't even walk, he explains. But despite a prescription from a Dutch physician, he was arrested in 1995 for marijuana possession and faced up to 30 years in prison before charges were dropped.

The first petition to shift marijuana from a Schedule I to a Schedule II drug, like morphine, which would allow it to be prescribed, was filed in 1972. The Drug Enforcement Administration wouldn't consider the idea until a federal court order in 1986. Two years later an agency hearing examiner endorsed the proposal. The DEA again refused to act. In its eyes, the desperately ill were no different than common criminals.

At least then there was a small escape hatch: 30 patients received marijuana from the federal government. But in 1991 the Department of Health and Human Services canceled the program. "If it's perceived that the Public Health Service is going around

giving marijuana to folks, there would be a perception that this stuff can't be so bad," explained one official. It's surprising the government tolerates the use of morphine in hospitals.

HHS officials said they would instead provide Marinol, a synthetic form of marijuana's psychoactive ingredient. But those suffering from AIDS, cancer, and glaucoma say that Marinol isn't as effective. Explained Barbara Jencks, who before her death from AIDS was arrested for using marijuana to combat AZT-induced nausea, "I've got to smoke marijuana. I've got to, or I'll die." Many others say essentially the same thing. Indeed, why else would people like Todd McCormick risk arrest?

Doctors also favor the medicinal use of marijuana. In one survey more than 70 percent of American cancer specialists said they would prescribe marijuana if it were legal; 44 percent said they had urged patients to break the law if necessary to acquire the drug. The British Medical Association found that nearly 70 percent of physicians believed marijuana should be available for therapeutic use.

Even President Bush's Office of Drug Control Policy criticized HHS when it closed the medicinal marijuana program. Deputy Director Herbert Kleber termed the initiative a "compassionate" option for the very ill. Another senior staffer, Ingrid Kolb, complained that "for HHS to treat this matter as just another bureaucratic decision is unconscionable and, to me, shows an intolerable lack of compassion." HHS remained unmoved.

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Nothing changed when President Bill Clinton took office, even though his Surgeon General, Joycelyn Elders, endorsed making marijuana available to the seriously ill.

Indeed, last fall the administration opposed ballot initiatives in Arizona and California to legalize medicinal use of marijuana. Voters ignored the President, so the administration is now working to block the laws. Only a recent court injunction currently prevents the DEA from prosecuting doctors who recommend pot and stripping them of their right to prescribe pharmaceuticals. Even more bizarre are threats to block the nomination of Massachusetts Governor William Weld as ambassador to Mexico because he favors allowing the medicinal use of marijuana.

The fact that so many officials are working so hard to pre-empt such limited state initiatives demonstrates a hard truth: The Drug War has failed. The federal government has been fighting the drug war for decades. The result? Adolescent drug use is rising. In 1995 more than one-third of high school seniors said they had used pot the previous year, up from 22 percent in 1992.

So what does Washington want to do now? Escalate the drug war. Eric Holder, now Deputy Attorney General, advocated tougher penalties for marijuana offenses when he served as the U.S. Attorney for Washington, D.C. "Marijuana violence is increasing. We need to nip it in the bud," claimed Mr. Holder.

Illegal Markets Spawn Crime

Unfortunately, new enforcement initiatives will only worsen the problem. The crime surrounding marijuana that Holder complains of results not so much from drug use, but from drug prohibition. No one argues that pot is crimogenic. People don't smoke marijuana and then commit crimes.

Rather, killings and robberies inevitably accompany illegal markets. Dealers fight over turf; sellers and customers rob one another. This was evident during Prohibition—the ban on alcohol could not have been better designed to benefit organized crime. Similarly, marijuana and opium have been legal in America for more years than they have been

prohibited. Only after the government forbid their sale earlier this century did crime envelop them.

A different argument is made by the DEA's Peter Gruden. The marijuana being sold today, he warns, is far more potent than that available a decade or two ago. However, this, too, is a result of prohibition. It has always been easier to find and confiscate marijuana, a bulkier substance, than drugs like cocaine and heroin. Thus, dealers have had a continuing incentive to produce a more compact, easily concealable version of the drug. This incentive was intensified by the government's increasing interdiction of shipments from Mexico and discovery of outdoor plots in America. Production shifted indoors to hydroponic (water-based) cultivation, which yields more concentrated marijuana.

Finally, Gruden complains that kids increasingly deal pot, with lookouts as young as 11. This has nothing to do with marijuana as such, however: in the 1980s Washington, D.C., found itself not only arresting a far higher number of juveniles for drug offenses, but also arresting a far higher percentage for trafficking. This is also a result of drugs being illegal: drugs are marketed by criminals, who have no compunction about involving kids, who in turn know that they will receive lesser penalties if they are caught. Notably, children don't wear beepers around school selling cigarettes and beer. The drug laws are as dangerous as drugs to kids.

Upping the penalties for marijuana offenses and imposing minimum sentences for nonviolent offenders would only increase the incentive to rely on kids. And it wouldn't end drug abuse. Nationally there were nearly 600,000 arrests in 1995 for marijuana, over 80 percent of them—an incredible half million—for possession alone. Pot arrests are up 50 percent over the Bush years. Someone is arrested for a marijuana offense every 54 seconds in America.

Sending more people to jail would, however, further overwhelm a bulging prison system that already holds three times as many prisoners as in the early 1980s. The result would likely be rising pressure for the premature release of violent criminals around the

nation. Today many rapists and murderers spend less time in prison than do drug offenders.

Turning drug use, at base a moral and spiritual problem, into a criminal crusade hasn't worked. Despite 10.5 million arrests for pot offenses between 1965 and 1995, more than 60 million Americans have used marijuana. As the police have collared even more people during the 1990s, drug use by children

has risen. Arresting and jailing even more people wouldn't yield better results.

It's time to change course. People shouldn't smoke marijuana, but then, they shouldn't smoke cigarettes either. That doesn't mean the answer is prohibition. Instead of reinforcing the failed policies of the past, the federal government should end its misguided war on marijuana, starting with its attack on the suffering and dying. □

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A Century of Forest Service Ineptitude

by John A. Baden and Andrew C. St. Lawrence

This year marks the centennial of the National Forest System. This is America's best example of centralized government planning and management, our glorious experiment in "sylvan socialism."

In the *Federalist Papers*, the authors urged America to consider each law and policy as an experiment to be evaluated and perhaps modified. The end of a 100-year experiment is an appropriate time to review and evaluate the National Forest System.

The end of the nineteenth century was marked by enthusiastic reformers, Progressives who sought to harness the power of government to achieve positive ends. The Forest Service, the Bureau of Reclamation (1902), and the Park Service (1916)—all Progressive Era creations—provided models for environmental management by bureaucrats. According to Robert Nelson, in his book *Public Lands and Private Rights*, "The progressives sought to curb the subservience to special interest that in their view had all too often corrupted the activities of the federal government." The Forest Service was supposed to serve as an example of government promoting efficiency and innovation.

Unfortunately, Progressive Era reformers' political economy was far less sophisticated than the Founding Fathers'. Lacking understanding of how the world works, they blended hopes with expectations. Ideally, their bureaucracies would foster efficiency and innovation. But did they?

"Bureaucrat" is a term of derision in almost every language. This is no accident. Bureaucracies, regardless of their mission, eventually tend to be run for the people in them, and the clientele they benefit. The Forest Service is no exception.

The Forest Service was to use scientific information to maximize long-term productivity of forested lands. In the beginning, before the Forest Service focused on timber harvest, it was custodial—building trails and fighting fires. Its agents quickly gained a reputation as no-nonsense good guys operating in an untamed region. In Norman Maclean's acclaimed novel *A River Runs Through It*, the Forest Service is portrayed as a tough, down-to-business agency that succeeded. However, much has changed since the Forest Service exemplified efficiency and community well-being.

John A. Baden is chairman of the Foundation for Research on Economics and the Environment (FREE) and the Gallatin Institute, an organization for writers of the West. Andrew C. St. Lawrence, an intern at FREE and the Gallatin Institute, is a student at Montana State University studying animal and range science.

Following the Money

In 1995 the U.S. Treasury spent over \$499 million in taxes on national forest timber sales. The Forest Service retained more than \$345 million from the sales. After deducting

the cost of constructing logging roads and making payments to the counties where logging occurred, the Treasury saw only a \$44 million return from the sales. This made the logging of federal forests in 1995 a \$455 million net loser for taxpayers.

What happened in 1995 is not an anomaly. In 1993 and 1994 the Forest Service claims that timber sales made roughly \$600 million. But actual returns to the Treasury were \$800 million less than cost of funding the sales. Since the Forest Service has gone into the business of offering timber for sale, it has routinely lost money.

Overdue Exposure

Although the Forest Service continuously loses taxpayers' money, mainstream journalists have generally failed to criticize the agency. At least until recently. The cover story of the June 1997 issue of *Harper's*, by Seattle-based writer Paul Roberts, exposes the Forest Service as an inefficient and corrupt agency.

At last, influential writers are beginning to recognize what economists and policy analysts have long realized: government bureaucracies are inefficient and insensitive managers of environmental resources. *Harper's* benchmarks the upscale media's awakening to the malfeasance and crass incompetence of a "model" government agency.

A Growing Bureaucracy

Conventional wisdom long held that the Forest Service was an institution worthy of emulation. Gifford Pinchot, the founder of the Forest Service, thought the agency would be run by experts and not politicians. Prior to World War II, the Forest Service was highly acclaimed, according to Herbert Kaufman, author of *The Forest Ranger: A Study in Administrative Behavior*, as being "a model of public-spirited bureaucratic efficiency." Although it was isolated from presidential whims, it was not immune to overzealous congressional appropriations committees. Randall O'Toole, a forest economist with the Oregon-based Thoreau Institute, states that "for the last 50 years, appropriators

have funded the national forests mainly as pork."

Until the post-World War II housing boom, the Forest Service acted primarily as caretaker of the national forests. The housing boom of course required timber. Delighted to oblige the timber demands of a sprawling country, peddling timber became the new focus of the agency. Offering timber for sale allowed the agency to rapidly expand, neglecting other management objectives. The first postwar budget (1947) saw a scant 25 percent increase in "forest protection and management" while funding for roads and trails jumped 250 percent, most of which was allocated to building timber access roads. As the agency grew, it strayed from its idealistic beginnings into a typical bureaucratic agency.

In the 1970s, a few scholarly mavericks realized that the Forest Service had grown to be a grossly inefficient organization. Management decisions were pathologically based on increasing the agency budget. Selling timber was the means to expand budgets while ignoring taxpayers. It was apparent that the agency had shifted its focus from benefiting the American people to benefiting its own.

Over the years forest managers gradually increased the amount of timber offered for sale. Higher production meant greater budgetary allotments. Typically the Forest Service receives 99 percent of the requested timber funding while wildlife funding is less than 80 percent of what is requested; and recreation, watershed, or reforestation receives less than 70 percent of what it asks for. In a recent speech, Secretary of the Interior Bruce Babbitt stated that tying the Forest Service budget to the level of timber sale contracts is "effectively instructing foresters to work on a commission basis." The incentive is to focus on timber production while neglecting other forest resources.

Salvage Sales Savage Forests

But growing environmental concern produced environmental rules and regulations that threaten timber sales, the core of the Forest Service. With increasing environmental constraints, the Forest Service sought new

ways to justify ecologically destructive timber sales. The 1976 National Forest Management Act allowed the Forest Service to sell burned or diseased trees under the title of "salvage sales." The "Salvage Act" gave the Forest Service license both to sell timber, which secures the Forest Service budget, and to appease the public by claiming the sales as "sound ecosystem management."

The Forest Service budget benefits in several ways from salvage sales. All receipts from salvage sales are kept in a fund to be used for future salvage operations. This effectively makes salvage sale funding immune to reductions in the federal budget. In addition, because salvage sales are exempt from irksome environmental restrictions, the timber harvest can be increased.

And, since salvage sales qualify as "emergencies" they can exceed the 40-acre, clear-cut limit. Although clear-cuts can quickly denude a forest, they greatly increase the amount of timber available for sale in an area. In addition to increased clear-cutting, logging is allowed on previously off-limit, environmentally or geologically fragile forests. These salvage sales are a temporary salvation for a timber-hungry Forest Service. As a 1992 Forest Service memo stated, "Even if a sale is totally green, as long as one board comes off that would qualify as salvage on the Salvage Sale Fund Plan, it should be called salvage."

For a generation, Forest Service inefficiency and corruption have been recognized by economists and policy analysts studying the agency. The *Harper's* introduction of Forest Service deficiencies into mainstream publication is timely indeed. The centennial of this failed experiment in centralized planning is hardly a time for celebration.

What to Do

The time has come to turn management of national forest over to more responsible and responsive organizations. While the Progressives' belief in expert management made sense, its fatal flaw was the assumption that federal experts would be insulated from pork-barrel politics. But this is not how it works.

Private tree farms are forced to optimize

production since they are responsive to market forces and do not receive financial backing from the government. Port Blakely Tree Farms, established in 1864, is a glowing example of durability in the timber industry. Port Blakely can attribute much of its longevity to properly managing its resources. But optimizing natural resources means far more than just focusing on timber production. It includes management practices that allow for additional land uses that respond to the demands of recreationists and wildlife enthusiasts. Better ecosystem management fosters profits and a diverse collection of marketable items.

Private tree farms do not hold all the answers to reform. Often, the highest economic use of national forests lies in recreation, watershed, and habitat protection rather than commodity production. Obviously, when a company can only capture revenue from timber, it will slight other values.

Existing commercial forest lands should be auctioned off, with environmental constraints (such as riparian area protection), to the highest bidder. The bidding would be open to timber companies and environmental groups alike. Market forces would ensure that the land would go to the highest valued use and, together with environmental constraints on harvest, assure responsible stewardship.

A public, non-government trust could oversee the management of noncommercial areas. Endowment boards, like those running museums, hospitals, and private schools, would operate under a legal charter to steward individual forests. After the transition from federal ownership, each forest's individual trust would be "on its own." The board, established by local environmental groups, business leaders, and citizens, would be charged with promoting ecologically sensitive economic activities as part of their trustee responsibility.

A new era is upon us. The *Harper's* article marks a milestone in the way the public views inefficient bureaucracies. It will require imagination and entrepreneurship to devise institutions that will eliminate activities harmful to both taxpayers and ecosystems. □

Cast a Giant Ballot

by Clifford F. Thies

The late Roger MacBride is perhaps best remembered as the person who brought *Little House on the Prairie* to television. For some readers of this magazine, he was the person who, through the casting of a single vote, transformed the fledgling Libertarian Party into the most important third party in America. These two feats were not independent.

In 1971, the Libertarian Party was organized because of the argument that neither of the major parties was committed to liberty, and the naïve idea that a few people—none of whom commanded any significant resources—could do something about it. A philosophy professor (John Hospers) was nominated for president, and a cub reporter (Toni Nathan) covering the party's first convention for vice president. These candidates were placed on the ballots of only two of the nation's 50 states. Including write-ins from other states, the ticket got 8,000 popular votes out of 77 million cast, not even as many as were received by the Prohibition Party's ticket.

It was at this point that Roger MacBride entered the scene. Because the Republican Party ticket won the popular vote in Virginia, that party's slate of candidates for the Electoral College—which included MacBride—was elected. Being nominated for the Electoral College is usually a ceremonial honor bestowed on party loyalists. While pledged to

honor the popular vote, the members of the Electoral College are not constitutionally bound to do so, and—from time to time—certain of them have cast their ballots for persons other than the candidates of their party. MacBride's doing so on behalf of the Libertarian Party like a bolt from the blue sparked life into the neophyte organization.

It is important to point out that Roger MacBride's vote for the Libertarian Party ticket was only partially motivated by philosophy. Following their re-election, Richard Nixon and Spiro Agnew were each forced to resign from office: Nixon for obstruction of justice in conjunction with the Watergate affair, and Agnew for tax evasion while governor of Maryland. MacBride was protesting their already obvious corruption as well as their policies. Of course, as Lord Acton observed, corruption is the inevitable consequence of the all-powerful state.

That Roger MacBride cast his electoral vote other than for the candidates to which he was sworn shouldn't have been very surprising. As a young man, he wrote a scholarly little book, *The American Electoral College*, in which he presented his own views on our indirect method of voting for the president and vice president.

While appreciating many of the criticisms of the Electoral College that have been advanced, Roger MacBride declined from endorsing a major overhaul. He was persuaded that a sufficient reform would be the election of members of the Electoral College by congressional district with an additional two electors from each state elected at-large (as opposed to the general ticket system, which elects the slate of candidates receiving a plurality of the popular votes cast statewide). In fact, in the last few years, the states of Maine and Nebraska have implemented this method.

By "breaking up" the election of the members of the Electoral College, it would be more probable that occasions would arise when no ticket gained the majority needed for election. Presently, the predominance of the general ticket system almost guarantees a majority in the Electoral College to the ticket gaining a plurality of the popular vote, e.g., both of Bill Clinton's elections. But, with

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district-based voting, a strong independent or third-party candidate might be able to pick up enough electoral votes to deny the ticket receiving a plurality of the popular votes a majority of the electoral votes.

With no ticket having a majority in the Electoral College, it would seem that the election of the president would be thrown into the House of Representatives, and of the vice president into the Senate. *However*, a sufficient number of the electors pledged to independent or third-party candidates could vote for their “second choice.” “This amount of independence,” said MacBride, “is certainly the very minimum to be expected from Electors.” Indeed, MacBride entertained the specific possibility that the district method would reinvigorate the original idea of the Electoral College, so that the electors would be “influenced but not governed” by the popular vote.

How is it that a person who so clearly expressed his view that electors should be “influenced but not governed” would be nominated for the Electoral College? Either the leaders of the Republican Party of Virginia back in 1972 were men and women of great integrity, or else they didn’t know Roger MacBride. I’ll leave it for the reader to decide.

In 1976, Roger MacBride was named as the Libertarian Party’s candidate for president. I should mention that this was back in the days when the party nominated persons rich enough to largely self-finance their campaigns. It was during this campaign that the Libertarian Party actually developed into a viable third party, gaining ballot status in 36 states and something more than 200,000 votes.

During the mid-1980s, the grassroots activists of the party declared themselves free of persons of wealth. In 1984 and 1992, the party nominees for president were furthermore of no renown outside the organization. And, while the organization grew in its ability to gain ballot status for its candidates, its votes slacked off from peak totals. MacBride, among other people, drifted out of the party. Then, during the late 1980s, Roger MacBride re-entered politics, helping to organize the Republican Liberty Caucus.

My last memory of Roger MacBride was at a dinner party two weeks before his March 5,

1995, death. Epicurean and gentleman that he was, Roger suggested we go to a French restaurant that he considered to be the best in town. We greatly enjoyed ourselves, as we always did in his company. If, as the evolutionists claim, we are no more than self-aware matter, then Roger was more self-aware than most, for he enjoyed life.

Living Life to the Fullest

This brings me to the connection between Roger’s political activity and his creative work. Roger MacBride led a full life. He went to the best schools—Exeter, Princeton, and Harvard Law, was a Fullbright Scholar, wrote several scholarly books, produced two television series, wrote children’s novels, was a state legislator in his native Vermont, had homes in Miami Beach and Naples, Florida, as well as in Biddeford Pool, Maine, and enjoyed scuba diving off the coast of Australia. This is what freedom is about. Freedom is not an abstraction, or some unattainable ideal, it’s about living life. And, this is true whether one lives the life of a sophisticate or lives the simple life depicted in the *Little House* series.

As a young man, Roger MacBride was “adopted” by Rose Wilder Lane, the daughter of Laura Ingalls who, along with Isabel Paterson and Ayn Rand, was one of the three founding mothers of the modern libertarian movement. Where Ms. Rand’s strain emphasized the Western (or “Greek”) concepts of reason and individualism, Ms. Lane’s strain emphasized the Eastern (or “Hebrew”) concepts of emotion and community. Rose Wilder Lane, although herself something of an agnostic, and a thoroughly cosmopolitan person, unabashedly presented the freedom philosophy as part of—indeed, as the essential part of—our Semitic religious tradition, and the defining feature of the American experience. And Roger MacBride did exactly the same.

Roger MacBride began the closing chapter of his campaign book, *A New Dawn for America*, with the Old Testament story in which Israel demanded a king. A king, warned the prophet Samuel, will take your lands, your children, your goods and your freedom, and

you shall cry out in that day. Still, Israel demanded a king. And, such is the nature of all governments, whether authoritarian kings, or democratic presidents. "Why," asked MacBride, "would anyone willingly submit to its false Authority?"

Roger MacBride sensed that those who put their belief in the state violate the commandment to put no god before the one true and transcendent God, and that they did so because it doesn't take much to believe in the all-too-real force of the state. That force—the police and military, the jails and torture chambers, the firing squads and gas chambers—is quite tangible.

Time and again, Roger MacBride spoke with compassion for those who were victimized by their own decisions. Concerning drugs, MacBride wrote "Why should not you and I, it is argued, who hate the very thought of drug addiction, and who would use every resource at our command to prevent a loved one's becoming addicted, why *shouldn't* we force our values on another? Hard case, I agree. But the rational answer is clear: force is no answer, love and persuasion may be." And again: "[T]here *are* serious issues of moral conduct. Fortunately there are many institutions other than government that can appropriately deal with these matters. To handle the task of teaching and maintaining desirable standards of behavior, logic and experience dictates reliance on the individual, the home, the family, the schools, the churches and synagogues, and the almost infinite number of other voluntary associations which now exist in every nook of the country."

Clearly, Roger MacBride was not a libertine, and did not advocate decriminalizing vices for lack of care about other people. He advocated decriminalization because he believed, firstly, that each person had a God-given right to be free, and, secondly, that it was more effective to attempt to dissuade people from vices through fraternal and charitable efforts.

This bleeding-heart libertarianism was the reason for the enormous success of the *Little House* saga that Roger MacBride advanced both through his involvement in the television series and his continuation of the series of children's novels, with *Little House on Rocky*

Ridge and *Little Farm in the Ozarks*. The "rugged individuals" of the American frontier were rugged individuals who were members of families, and rugged individuals who were members of the communities in which they lived. It was because the love they received from their families and neighbors was secure, that the pioneers were free. They didn't need big government because they had one another.

I remember Roger telling me of some of the conflicts between him and Michael Landon in producing the *Little House* television series. For example, Roger insisted that the children run around in bare feet, which would have been historically accurate, while Michael Landon insisted that the children wear shoes, since the television audience, not knowing the circumstances involved, would have thought that the parents were neglecting their children if they didn't provide them with shoes. As a result of their collaboration, Laura Ingalls's story—somewhat compromised—was successfully brought to a mass audience.

I also remember giving autographed copies of Roger's novels continuing the *Little House* series to my daughter Adele on the occasion of her twelfth birthday. How could I communicate to her what I knew of the meaning of life, so she could more fully enjoy this wonderful gift she had received? I know that she will have to discover this for herself, but I thought that the vicarious enjoyment of the life experiences contained in these books could help her to do just that. I know, too, that Roger loved his daughter, Abigail. He dedicated his second *Little House* novel to "my daughter Abby, who shares with me the legacy of Rose. In them both, God got it right."

For many of us, Roger MacBride was like Benjamin Franklin, an older and wise man who joined with us in a revolutionary cause. Three years before his death, Roger said that we were going to see the rebirth of liberty in our country. He was hopeful of observing that rebirth himself. Now, with his departure, we are hopeful for his observation of this rebirth from afar. And, we must be resolved to continue in this effort. Although we are now without his leadership, we will always have his inspiration. □

Affirmative Action: Institutionalized Inequality

by Walter Block and Timothy Mulcahy

In 1961 President John F. Kennedy established a program of “affirmative action” with the declaration of Executive Order 10925. He defined the initiative as “public and private programs designed to equalize hiring and admission opportunities for historically disadvantaged groups by taking into consideration those very characteristics which have been used to deny them equal treatment.”¹

Upon first glance, this policy seems like a well-intentioned, well-deserved method of reparation. Affirmative action programs do indeed intend to set things right. However, implementation poses a clear and puzzling contradiction. In order to repay one group, the government proposes to take away the freedom of others. This includes, but is not limited to, infringing upon the right of employers to hire whomever they choose. It also discriminates against prospective applicants for jobs or to schools who are immediately put at a mandated disadvantage simply because of their race or gender.

Discrimination against minorities based solely on skin color or ethnic origin is an ignorant and unfortunate practice. However, it is our right as free individuals with personal liberty to hold whatever opinions or prejudices we choose. If we are to be logically consistent, this right must be carried over to the employer to hire people based on which-

ever characteristics he chooses. If an employer had a deep aversion to people with brown eyes and hired people accordingly, it would be a violation of his rights to force him to hire brown-eyed people. Then there is nepotism: a private bank owner who hires his cousin rather than another, more highly qualified applicant who is not a member of his family.² Should this man be punished by law? Clearly the answer is no. Certainly not if we value the right of free association. Laws prohibiting people from interacting with others, whomever they choose, for whatever reason, are a violation of their freedom to associate. We hold this right well-nigh sacred in some arenas: dating, friendship, marriage. No one has a legal obligation, say, to be colorblind (or gender blind) in his choice of a marriage partner. If affirmative action is such a moral, appropriate policy, why do not even its most fervent advocates counsel its use in such personal arenas?

The Price of Discrimination

As it happens, the market serves to eliminate discrimination, its legal, moral, and logical status notwithstanding. In a free market, employee compensation can only be truly successful if skill and productivity serve as the only basis for choice. According to economist Thomas Sowell, “The competitiveness of the market puts a price on discrimination, thereby reducing it but not necessarily eliminating it.”³

By this, Sowell means that in a competitive market the person being discriminated against is not the only one who is penalized. If an

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employer refuses to hire all blacks based solely on their skin color, and in the process hires less qualified whites, a competitor who chooses employees based on productivity will end up with the cheaper, more highly skilled work force and outperform the racist. Eventually enough other firms will realize they can outperform their racist counterpart by hiring based on productivity, and he will tend to be pushed out of the industry when his business fails. In this manner, the free market provides a clear incentive not to discriminate according to race.

A classic example of this is the signing of Jackie Robinson by the Brooklyn Dodgers in 1947. By voluntarily excluding blacks from baseball, the owners had, in fact, neglected a large pool of talented athletes. When the Dodgers turned to this sector of the labor market, "... they acquired a competitive advantage which other teams could not allow to continue indefinitely."⁴ If the other teams had continued to discriminate against blacks, eventually they would have lost more and more games, and like a firm in any other industry, would have faced failure.

Consider how an affirmative action policy would affect the National Basketball Association.⁵ Today, in a free market for basketball players, the majority of players in the NBA are black. Were we to apply affirmative action here, the law would require fair representation of whites, Hispanics, and Asians. That even the most radical advocates of this policy never so much as contemplate such a course of action constitutes further indication of its intellectual bankruptcy.

If the government mandated that white players be given preferential treatment because they are underrepresented in the NBA, the overall quality of the game would suffer, as lesser qualified whites took the place of more highly qualified blacks, simply because of their skin color. The fan would most likely not be pleased with the fact that he would be receiving less for his ticket dollar than in a free market, where the most productive, most qualified players were on the floor. This watered-down product would ultimately lead to reduced ticket sales and the turning to substitute goods, namely other forms of entertainment.

Affirmative action should be rejected by Americans of all races. It unfairly places whites at a disadvantage by limiting choice. For nonwhites, it is a slap in the face: there is an institutionalized implication that they need government aid. It tends to exacerbate existing stereotypes and deepen racial rifts. It breeds contempt in the workplace, placing doubt in the minds of some whether their co-workers received the job based upon merit. It is a direct assault on the pride of the minority worker who has worked hard to improve himself, and has earned his position honestly.⁶ It is also a disincentive for others to invest time in education and self-improvement.

Affirmative action is an immoral policy that must be ended. Instead, we must legalize a situation where everyone is viewed without color. In this "colorblind" society the free market would ensure equality in the sense that people would be judged according to their ability and qualifications, rather than by irrelevant, artificially imposed qualities.⁷ In this sense, while every member of society may not succeed equally in a market, they will sink or swim based on their personal merit and be ensured an equal opportunity in the purest sense. Of course, if private people, groups, or individuals, wish to pursue affirmative action, reverse discrimination, or even the other variety against which our "civil rights" legislation was created to combat, the law of free association gives them the right to do just that.⁸ In this paper we were mainly concerned to reduce *government* discrimination, surely a very different matter. □

1. Donald Altschiller, ed., *Affirmative Action* (New York: The H. W. Wilson Company, 1991), p. 5.

2. Steven M. Cahn, ed., *The Affirmative Action Debate* (New York: Routledge, 1995), p. 39.

3. Thomas Sowell, *Markets and Minorities* (New York: Basic Books, 1981), p. 40.

4. *Ibid.*, p. 40.

5. Following the same train of thought as in previously mentioned examples, if a team in a free market discriminated using something other than productivity, it would lose both games and money.

6. Walter Block and Michael Walker, *Discrimination, Affirmative Action, and Equal Opportunity* (Vancouver, B.C.: The Fraser Institute, 1982).

7. Terry Eastland, *Ending Affirmative Action: The Case for Colorblind Justice* (New York: Basic Books, 1996).

8. Walter Block, "The Economics of Discrimination," *Business Ethics*, vol. 11, 1992, pp. 241-54.

Capitalism and Cooperation

by Allan Levite

In a 1989 article appropriately titled “The Triumph of Capitalism,” socialist economist Robert Heilbroner, who deserves to be commended for his honesty, observed: “. . . at this moment socialism has no plausible economic framework.”¹ Perhaps socialists have finally reached the point where they will no longer argue that socialism or communism can ever outperform capitalism, confining themselves to the old argument that socialism is a more *moral* system than capitalism.

Morality, however, is not something that can be demonstrated by facts. It is an outgrowth of shared values, such as cooperation. In the past, socialists have tried to convince people that their doctrine not only adhered to this commonly accepted behavioral norm, but actually epitomized it. The program of utopian socialist Robert Owen, for example, was referred to as a system of “Mutual Cooperation and Community of Goods.”²

By using the word *cooperation* as its own exclusive property, socialism has always implied that capitalism produces competition at the expense of cooperation. Without a doubt, capitalism involves competition, but socialism seems to view competition as entirely harmful, placing little value on its role in economic improvement. Competition between products, however, launches the best ones to the forefront, while the makers of inferior products suffer losses. Price competition results in lower prices for consumers, and even when

price “wars” are not taking place, competition keeps prices down.

But in the midst of making these complaints about capitalism’s alleged suppression of cooperation, socialists joined liberals in complaining about oligopolies, price-fixing, and other efforts by manufacturers to divide up markets and keep competitors out—activities that would necessarily *involve* cooperation between manufacturers who were trying to *avoid* competing with each other. Under American law, conspiracies to fix prices and allocate market shares became illegal. Although socialists would probably applaud the motives behind antitrust laws, it would be hard to deny that one of the aims of these laws was to *prevent* cooperation between capitalists.

Who Doesn’t Cooperate?

Despite socialism’s refusal to recognize it, capitalism is founded on cooperation, and not only between capitalists within a given industry who might seek to regulate their markets and freeze out competitors. The farmer cooperates with the milling company, selling it grain at a price freely agreed upon by both. The railroad cooperates with the miller and ships the grain at agreed-upon rates to an agreed-upon destination, where both miller and railroad know that factory workers will cooperate by being on hand to receive and process it. The supermarket cooperates with the food processing company, buying the finished products and reselling them, and honoring the manufacturer’s coupons. In

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turn, the manufacturer cooperates with the supermarket by reimbursing it for coupons received. The bank cooperates with both by enabling them to make these millions of transactions very efficiently, and to transfer large sums electronically or by check. Banks also cooperate with families by making secured loans (e.g., mortgages), enabling them to buy homes, which also pleases real estate and residential construction companies.

Consumers have cash to pay for what they buy because they have cooperated with their employers by showing up for work on time and performing labor, for which the employers cooperate by paying them. Consumers also cooperate with supermarkets by buying the products and paying cash (and sometimes even by returning shopping carts to the rack).

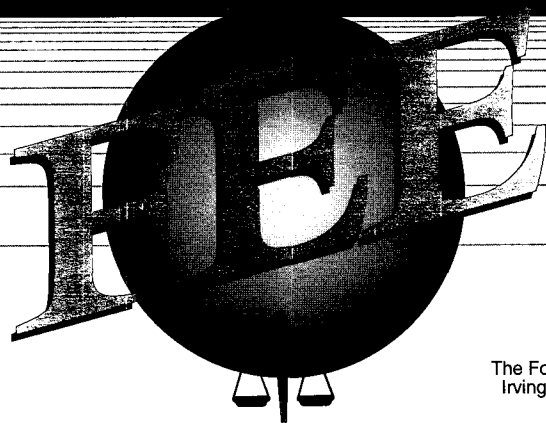
Actually, even if relations between merchants and their suppliers are not taken into account, there is nothing new about inter-firm cooperation due to mutual self-interest. About a century ago, fire insurance companies began to suspect that electrical equipment was causing building fires, and backed William Henry Merrill's idea for an independent testing laboratory for electrical products. Thus was born Underwriters Laboratories Inc., an independent, not-for-profit, nongovernmental organization that now conducts over 77,000 product investigations each year. Manufacturers voluntarily submit products to UL for testing and safety verification, and use of UL is not required by law. But few electrical manufacturers would even consider marketing an electrical product without the UL's coveted seal of approval, which is placed on more than nine billion products annually, and is known and trusted the world over.³ Here is an organization that fulfills the function of a government bureau, helping make sure that products comply with rigid safety standards—all without costing the taxpayers a cent—and accomplishes all this because capitalists *want* to cooperate with it! As this example illustrates, self-interest does not necessarily lead to competition at the expense of cooperation.

Capitalism also features cooperation in a more formal sense: what is now known as *strategic partnering*. Despite this impressive new description, joint ventures and licensing

agreements have taken place for quite a long time, and newer industries have merely adopted these standard practices. In the computer industry, for example, it is routine to buy a hardware device and find it "bundled" with software made by a different company, whose software the hardware company had licensed in order to include with their own product. Many companies have also been making agreements with other firms, by which marketing, manufacturing, or research will be conducted jointly between them. IBM, for example, jointly built a \$200-million plant with Toshiba, for the manufacture of screens for laptop computers. IBM also began in 1991 to jointly develop dynamic RAM chips with the German electronics firm Siemens. In Japan, Mitsubishi sells IBM mainframes under its own name, which augments IBM's own sales efforts.⁴ No U.S. manufacturer produces its own color television sets, VCRs, or CD players; all electronics products sold under the Kodak, General Electric, RCA, Zenith, and Westinghouse brands are made by these firms' foreign alliance partners and imported into the United States.⁵

Cooperation, Not Collusion

This cooperation between competitors is a far cry from the collusion that some capitalists have used on occasion to stifle competition or restrict output. Such conspiracies attracted criticism from writers and politicians, but the agreements never lasted long. The reason why Adam Smith observed that capitalists were always colluding to try to control markets is that markets were always changing, making yesterday's agreement obsolete and constantly necessitating a new agreement to try to hold together the previous conditions. Today, different reasons have been inducing capitalists to cooperate, and with different results. The fragmentation and spiraling complexity of today's mass markets have made it increasingly difficult for any single firm to possess everything it needs to succeed. Such agreements as those entered into by IBM were designed not to restrict output or control markets, but to acquire the skills, resources, or markets that one firm lacked and could



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A Free-Market Case Against Open Immigration?

Recently, upon finishing Leonard Read's superb book *Anything That's Peaceful* (FEE, 1964), I felt a surge of thankfulness and honor. I'm thankful that such a wise man lived and wrote, and I'm honored to now lead the organization that he founded. Leonard Read was truly a great liberal — a liberal, of course, in the original and correct meaning of the term. Genuine liberals (as opposed to the statist who today in America have stolen this noble name) never fancy themselves fit to interfere coercively in the lives of others. As Read expressed his liberal philosophy, all peaceful and voluntary actions among adults should be immune to state interference. The only justifiable use of physical force is to defend against another who has initiated coercion.

What a marvelous and workable principle on which to build civil society! Both theory and history prove that this principle generates peace, stability, prosperity, and a culture that is rich and diverse. And yet so many people are distressingly hostile to this principle.

Leftist hostility is predictable. After all, leftists are virtually defined as those who see state-initiated coercion (or the threat thereof) as a magic potion capable of conjuring up all imaginable good and ridding humankind of all existing evils.

It is bothersome, however, to find such hostility among those who claim to be friends of liberty and free markets. In particular, during the past few years a number of pro-market writers have argued against a policy of open immigration. While the airing of different sides of the immigration argument is surely useful, I personally find such arguments as presented to be wholly unpersuasive — and even, in some cases, distressingly illiberal.

The most popular version of the so-called libertarian case against immigration runs something like this.

Each private property owner has the moral right (and should have the legal right) to ban from his property, or to admit onto his property, anyone he chooses. In a free society, no one is coerced into unwanted associations with others. Therefore, because in a fully free society all land would be privately owned and government would be limited (at most) to keeping the peace, immigration policy in this society would be whatever each private property owner decides it to be. If I wish to let 100 unskilled Irish peasants onto my property, so be it. If my neighbor chooses never to admit onto his property even people from across the street, so be it. There would, in fact, be as many immigration policies in the fully free society as there are landowners. As a practical mat-

ter, immigrants would be people who contribute through gains-from-trade to domestic citizens.

But we do not live in a fully free society. Like it or not, we're stuck with a large and intrusive government. And this same government happens to own enormous tracts of land and public facilities. Given that excessive government is a reality that isn't soon disappearing, the best that citizens of a democratic society can hope for on the immigration front is that their overly powerful government mimics the immigration policies that a fully free society would adopt. Because there would be no free admission in a fully free society, there should be no free admission in today's less-than-free society. Indeed, open immigration today is tantamount to forced integration. Citizens who do not wish to associate with foreigners are forced to do so by a government that too freely admits foreign immigrants. And because force is bad, forced integration—a.k.a. open immigration—is bad.

This argument for limiting immigration appears in several different variations, but the above rendition captures the main theme. It is mistaken.

First, to ask government to mimic the outcomes of a pure private property rights system is to overlook the single most important reason why government should be strictly limited. Unlike owners of private property, government can resort to force to increase the size of its property holdings and the value of its portfolio. Government is *not* an owner of private property. Restrictions on government discretion are appropriate precisely because government possesses a legitimized monopoly on coercion.

Consider, for example, the constitutional protection of free speech. Would it be sensible to argue that, because each private-property owner has the right to regulate what is said on his property, government in our less-than-libertarian world should have the power to regulate speech uttered in public places or over public airwaves? Of course not. But such an argument is analogous to the argument for government restrictions on immigration.

Secondly, labeling open immigration as "forced integration" is disingenuous. Such a practice is identical to labeling the First

Amendment's protection of free speech as "forced listening." But keeping government from regulating speech is not at all the same thing as forcing people to listen. Likewise, allowing people to immigrate to America is not the same thing as forcing Americans to associate against their wills with immigrants. Under a regime of open immigration, I need not hire or dine with anyone whom I don't wish to hire or dine with. Indeed, whenever government restricts immigration it coercively prevents me, as an American, from hiring or dining with whoever I choose to hire or dine with. An immigrant who receives no welfare payments engages only in consensual capitalist acts with those (and only those) domestic citizens who choose to deal with the immigrant. Just as trade restraints are, at bottom, restrictions on the freedoms of domestic citizens, so, too, are immigration restraints restrictions on the freedoms of domestic citizens.

Thirdly, even if some coherent justification could be given in the abstract for restricting immigration, it is curious in the extreme that any proponent of liberty is willing in practice to trust government with the power to pick and choose which foreigners we domestic citizens will be permitted to deal with on our home shores. There is no reason to suspect that government will exercise this power more prudently and intelligently than it exercises other powers.

Whether or not immigrants increase or decrease measured GDP or per-capita income is an empirical question that can be answered only by sound empirical research. (Economist Julian Simon has carried out much of this research; he finds that immigrants promote prosperity.) But the moral case for open immigration is paramount. That case is this: a geopolitical border is a grotesquely arbitrary reason to prevent people from dealing with each other in whatever peaceful ways they choose.



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obtain only from another—which, in return, would receive something it lacked. Sometimes, the parties to such agreements are competitors, but these partnering agreements are cooperative, not collusive. In the fast-changing world of today's capitalism, competition and cooperation are becoming indistinguishable.

This does not mean that this increased cooperation will result in rigid oligopolies in which the major players share resources and keep out the newer, smaller players, because the cooperation *itself* was forced upon the major players by the same technological changes that tore apart their previous market structures. If anything, strategic partnering bodes well for small, emerging firms, because instead of having to compete against the giants, they will find themselves in a better position to offer skills or facilities to the large firms. IBM North America already has over 4,000 “partners,” many “creating highly specific software for smaller customers.”⁶

Indeed, partnering and “outsourcing” show no signs of leading to increased market concentration or reduced levels of competition, because, as one study has shown, 70 percent of all the alliances of this type that cross national borders break up within a short time.⁷ While there are still oligopolistic markets, and mergers that turn large firms into even larger ones, it is overlooked that capitalism has produced a constantly increasing number of different industries and markets, just as it has generated an ever-expanding number of products. This fact refutes the old Marxian idea of a trend toward a final, very small group of giant, highly profitable firms that buy up failed rivals until they control everything.

To those who lack understanding of how markets operate, such increased concentration may have even appeared to be happening during the 1960s, which featured the rise of the “conglomerates”—corporations that acquired smaller firms that belonged to completely different industries. For example, in 1969, Quaker Oats, a well-known food products company, acquired Fisher-Price Toys. But Quaker *sold* Fisher-Price in 1991, two years before tobacco giant Philip Morris sold

Birds Eye frozen vegetables to Dean Foods.⁸ The furniture company I worked for in the early 1970s was acquired by a food conglomerate, which soon regretted its decision, for the furniture company proved unprofitable. A few years later the food company closed it down.

While large firms often find it advisable to diversify, they do not simply buy up everything in sight just so they can own everything. They do not want to own assets that fail to make money. A division that becomes unprofitable will be “spun off,” and since few conglomerates will show equal profitability for each of their divisions, there will always be some divisions that are *less* profitable than others, even if they are all making money. The incentive exists to *sell* the less-profitable divisions and retain only the most lucrative ones—the “core competencies”—and rely on outsourcing for the rest. Thus, although partnering and outsourcing will increase inter-firm cooperation and help make firms more competitive, the increased reliance on agreements as opposed to acquisitions will prevent ever-increasing economic concentration.

Words and More Words

In spite of this trend toward increased collaboration between corporations, many writers still cling to the idea that capitalism is competitive in ways that forestall cooperation, while other forms of economic organization (such as socialism) would engender *true* cooperation. Discovering the basis of this interpretation, however, involves sociological rather than economic analysis. The great economists F.A. Hayek and Ludwig von Mises were well aware of the importance of the intellectual class and the extent to which it had embraced socialism. This was discussed in Hayek's article “The Intellectuals and Socialism” and Mises's book *The Anti-Capitalistic Mentality*. Both Marxism and socialism are doctrines that claim to exist to improve the condition of the working classes, but the doctrines themselves were the products of intellectuals. For example, when Karl Marx and Friedrich Engels began to call themselves the Communist Party, they asked

socialist friends in Brussels to join, recruiting 15. Of this total of 17 members, including themselves, 15 (88 percent) were *writers*.⁹ To a very great extent, socialism has always been the product of what is now called the “knowledge class,” the “information elite,” or “symbolic analysts”—academics, writers, journalists, and others who make their living by processing and analyzing documents and ideas.

Because socialism was originated by the social class that lives by words, it has always been highly productive in the use of labels, slogans, and buzzwords. Despite its failure as an economic system, socialism has never lacked the ability to have itself described in the most glowing terms, which explains why the cooperation produced by capitalism is not called cooperation, and why the jealousy and friction produced by socialism’s arbitrary division of goods is called cooperation. Because the origin of this descriptive divergence is sociological rather than logical, the triumph of capitalism over socialism is unlikely to affect it.

Instead of resorting to the use of favorable labels (such as “cooperation”) for the things they approve of, and unfavorable labels such as “dog-eat-dog competition” for the things they disapprove of, it would have been more accurate for socialists to eschew these devices in favor of such descriptions as profit-making and non-profit-making. For it is clear that socialism does not distinguish “cooperation” from “competition” by the nature or results of these acts, but by the intentions of their initiators. No matter how much cooperation goes into a profit-making activity, socialists will claim that it is competitive rather than cooperative, and will treat economic competition as destructive and divisive, as if it could never contain cooperative elements.

Socialists were aware, of course, that the parties to a transaction must cooperate with each other in order to make the exchange, but insisted that this cooperation was merely formal, hiding a deeper relationship that is actually exploitative, and which “forced” one of the parties to act. Yet even a highly paid athlete might consider himself to be exploited, because although he is a millionaire,

his employer makes a great deal more money from his performance than he does. Still, most people would disagree, because his earnings are high, and even socialists do not spend their time complaining about the exploitation of highly paid employees. This indicates that socialism does not *always* define exploitation as a relationship between persons occupying positions of greatly unequal power. A very highly paid worker, such as a film star, might make a great deal less than his employer, but could hardly be considered powerless: some film stars become directors and even producers!

Therefore, at *some* wage level, the amount of remuneration is what determines whether exploitation exists. But if a sufficiently high wage negates exploitation, it means that workers can decide that if their wages exceed a certain level, they are not being exploited, making their decision to accept employment at those wage levels a free and unencumbered choice. If workers use their wage levels as an indicator of whether they are exploited, then the indicative point can be set at *any* level, and an unemployed worker might very well consider *any* job offer to be an acceptable bargain. What is a bad wage offer now might be a good one later, depending on one’s circumstances, in the same way that a good price now might be a bad price later.

This refutes the notion that workers who are not receiving as high a wage as they would like are not cooperating willfully with their employers, even though they show up for work on time and do their jobs. From the employee’s viewpoint, the remuneration is *always* insufficient. No matter what the agreed-upon wage is, workers seek the highest wages they can get, just as merchants seek the highest prices they can get. They will *always* conclude that if conditions had been more favorable, they could have gotten more. To call this “exploitation” because the worker was “compelled” by economic circumstances to accept a job at lower wages than he wanted is no different from saying that a merchant who is “forced” to offer close-out prices on his goods is “exploited” by consumers because they would not offer him the higher prices he wanted. To make an offer and settle for the

best deal available, in the absence of the *ideal* deal—which is never available—is a function of self-interest, and it is difficult to say with a straight face that people who are following their self-interest are being exploited.

Intellectuals and Sacrifice

When the interests of two parties intersect, cooperation results, and a transaction occurs. If socialists consider an activity to be cooperative only if it lacks the element of personal gain, then the socialist definition of cooperation must include, if not focus on, some element of self-sacrifice. From this standpoint, “cooperation” must be mainly an act of renunciation or submission. “Cooperation,” however, sounds much better to working-class people than renunciation or submission, so this favorable word is used instead. It is the foundation of *sacrifice* that best explains why capitalistic endeavors cannot qualify as “cooperative” under the socialist definition. Governments can disburse goods or cash to their citizens, but only by taking them from other citizens. However, all *market* exchanges of goods or services reap gains for both parties. Sellers value the money they receive for their goods more than the goods themselves, and buyers value the goods more than the money, otherwise the exchanges would not have occurred. Whatever name might be given to such transactions, the two parties have in fact cooperated with each other, and sacrifice was absent.

The intellectual class, however, might well have felt uncomfortable about its separation

from the workaday world. Its members grasped pens and spent long hours in cafes, while others had to swing hammers and wield sewing needles to make their living. Capitalism’s replacement of sacrifice with gain did not constitute a happy change for such remorse-ridden thinkers who, unlike working-class people, place a high value on sacrifice because it alleviates their uneasiness, while gain only adds to it. They could not change reality, but they could, at least, *rename* it, especially since the application of names and labels was their natural function. Accordingly, economic sacrifice soon became known as “cooperation,” while gainful cooperation became “dog-eat-dog competition.”

It is time to start insisting that the labels used to describe economic activity give a more accurate depiction of that activity and its results. □

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Education and the Free Society

by Linda C. Raeder

The classical-liberal philosophy of limited government and the rule of law is in danger of being consigned to oblivion. Enemies of the free society have successfully appropriated the time-honored “liberal” name and transformed it into the pseudo-liberalism of contemporary statism.

Part of the responsibility for that transformation undoubtedly belongs to the defenders of liberal constitutionalism. We have obviously failed to “make the case,” either rationally or imaginatively, for the free society as traditionally understood in the West. Hence we are in danger of losing not only our understanding of the relationship between limited government and human flourishing, but also of the very meaning of constitutional government. Nor have we sufficiently attended to the formative role of culture in the maintenance of the constitutional ethos. It is imperative, however, that the classical understanding of liberal order remain a living understanding, particularly within the academy. Yet it is well known that many academics are hostile not only to the classical-liberal order but also to the moral and philosophical heritage of Western civilization which produced that order. Those of us who would preserve the free society must not abandon the scholarly forum.

The abandonment of the modern university to the enemies of the free society is, moreover, bound up with the transformation of the meaning not only of “liberalism” but of all the major concepts through which we articulate our political, social, and moral self-understanding. The notions of freedom,

law, rights, democracy, constitutionalism, and morality have all been distorted in service of limitless government. Even well-meaning people, for instance, no longer seem to understand that the American framers did not establish a “democracy,” but rather a constitutional government, one characterized by limited power and the rule of law.

Today, however, “democracy” is often touted as if it were equivalent to liberal constitutionalism and the free society; any distinction has been largely lost. In a similar manner, the traditional notion of right has undergone a pernicious transformation. A right, as historically conceived in the West, did not refer to a positive entitlement to government services but to a largely “negative” protection against arbitrary governmental interference with one’s beliefs and activities.

Moral standards have also been significantly redefined. Traditional Western morality was concerned with personal motives and actions, not with social outcomes, emotional pleas for collective “compassion,” or commitment to a chimerical “social justice” to be achieved through organized political coercion, as it often is today.

The ongoing destruction of the free society has long been abetted by those who bear responsibility for the transmission of our cultural heritage—university professors and others involved in higher education. To preserve the traditional Western understanding of freedom-under-law, we must redress that imbalance, first, by restoring the classical-liberal philosophy of limited government as a focus of scholarship, and, second, by becoming exemplars of its ethos. Moreover, and perhaps even more importantly, we must

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counter the prevailing trend toward the politicization of the academy.

Perhaps it is not coincidental that both the free society and higher education stand at present in such a precarious state. From Aristotle to modernity, liberal education has been one of the chief foundations of civilized order in the West. Such an education, or "drawing forth," aims to cultivate a mind disposed to the pursuit of truth, a process that depends upon the active assimilation of culture, conceived as an integrated body of knowledge unified by reference to the comprehensive whole of reality. Professional specialization was conceived to be an outgrowth of, not a replacement for, such an assimilation. Moreover, liberal education was sharply contrasted with mere technical or practical training in service of utilitarian ends; the personal comprehension, character, and existential orientation produced by a truly liberal education was long regarded as its own reward.

A liberally educated person is more than superficially familiar with the great contributions in various fields. He is especially well acquainted with history, a knowledge which supplements his own necessarily limited experience of human events and widens his necessarily limited cultural perspective. Release from the parochialism of the present, however, is not the only beneficent effect of a traditional liberal education. Such an education is intimately bound up with the transmission of the culture and thus with the maintenance and advancement of civilization.

Ignorance of our heritage returns us to the level of primitives ceaselessly reinventing the wheel, particularly in political and moral matters. Or else it fosters the emergence of that quintessentially modern character, the arrogant rationalist proudly proclaiming the sovereignty of his fictitious "autonomous" reason. As both Burke and Hayek so eloquently warned, however, the rationalistic hubris of such persons, which leads them cavalierly to dismiss the "wisdom of the ages," is a grave threat to the preservation of civilization, which crucially depends upon the preservation of the suprarational knowledge embodied in tradition.

The political order of any society is a

reflection of the values, beliefs, and character of the persons who compose it; modern Western society, no less than the *polis*, is man writ large. The constitutional order that is the free society aims to permit its members freedom to pursue their self-chosen ends, in the belief that such freedom is indispensable to the realization of human potential. No society can endure, let alone flourish, without a certain degree of order. Since a free society seeks to minimize governmental coercion, and thus the external imposition of order, its order must come from within. A free society thus places special demands on its members: they must be both internally self-governing and willing to observe those moral and political rules that alone permit the common good to prevail over partisan and special interest. Moreover, since a free society encourages people to pursue their own ends, the quality and tone of such a society are utterly dependent upon the quality of its members' aims.

All of these factors point toward the crucial significance of education to both the preservation and tenor of a free society. Freedom has proved so fragile historically because the demands it makes on human beings are so severe. Freedom requires a large measure of self-restraint: freedom demands that we do not violate our neighbors, either individually or through the collective process that is politics. Without the willingness to pursue our ends within moral and legal bounds, to defer to the higher moral and political law that is the substance of constitutionalism, freedom-under-law degenerates into license, politics into the war of all-against-all. Although it goes against the grain of the prevailing "modern liberal" ideology, one cannot escape the fact that the formation of character through moral education, a process in which family, religion, formal study, imitation, practice, and mystery all play significant roles, is the *sine qua non* of the free society.

In conclusion, those of us who are concerned with preserving the hard-won fruit of individual freedom face a formidable challenge. We must make that tradition come alive again. And the only way to do so is through persuasion and personal witness, the only means suitable to the education of a free people. □

The Proper Attitude Toward the Proper Role of the State

by Joseph S. Fulda

That the proper attitude toward the overreaching state is, depending on the size and scope of the Behemoth, anxiety, fear, fright, or terror is a given among classical liberals. What is not always understood is the danger that the State poses even in its necessary and proper functions: protection against private coercion from within, protection against state coercion from without, and the orderly adjudication of disputes. It is the first of these functions of government whose danger is least understood, it being generally acknowledged by true liberals that the remaining functions have often been used as justifications for the expansion of the welfare-warfare state and a redistributionist judiciary, respectively, both of which pose obvious and considerable threats to individual liberty.¹

We must start by acknowledging, with Thomas Paine, that "Society is produced by our wants and government by our wickedness. . . . The first is a patron, the last a punisher. Society in every state," writes Paine, "is a blessing, but government, even in its best state, is but a necessary evil. . . . Government, like dress," he continues, "is the badge of lost innocence; the palaces of kings are built upon the ruins of the bowers of paradise."² Chasing down criminals and incapacitating them is an unfortunate necessity, but there can be no

denying that it is a necessary *evil*, since it consumes vast resources unproductively: Nobody gains anything of value from the anti-crime enterprise; even if it is done perfectly, all we can say is that nobody will lose anything of value, either. This is what Thoreau meant when he wrote, "I believe 'That government is best which governs not at all'; and when men are prepared for it, that will be the kind of government which they will have. . . . For government is an expedient by which men would fain succeed in letting one another alone."³

But, then, this is not quite true. Some do gain something of value from the anti-crime enterprise: the legions of officers of the State who are charged with the task. As former California Republican Assemblyman Patrick J. Nolan reminds us: "[O]ur judicial and penal systems are just like every other bureaucracy . . .," with "the judicial-penal complex spend[ing] lavishly trying to convince us they are doing all they can to protect us and if they had a little more money they could get the job done."⁴ Like the "military-industrial complex" of which conservative President Eisenhower warned, Nolan warns of the dangers of a judicial-penal complex that has every bit as much potential to go awry. And, not only do some gain from the anti-crime enterprise, even when this dismal task is done perfectly some also lose: the taxpayers who must support the legions of crime-fighters. And when government goes awry, quite unlike the case

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of the outlaw, "our calamity is heightened by reflecting that we furnish the means by which we suffer."⁵ And the judicial-penal complex has gone awry, vastly expanding its powers and revenues in recent years as the private property of innocent citizens is routinely seized under so-called civil asset forfeiture laws. These laws—which in some jurisdictions have created a virtual reign of terror by law-enforcement officials—effectively allow government agents to take whatever they want, from whomever they want, for any reason whatsoever and with little chance of its possession ever being regained by its rightful owners. (All that is needed is for the agent to invent an anonymous tip that the property was in some way used in an illicit activity and the property may be seized with a veneer of legality.) Instead, the property forfeited normally winds up lining the pockets of law enforcement.⁶

But the real problem is that the anti-crime enterprise is not, indeed *cannot*, be done perfectly: No human institution, social or governmental, proper or improper, is perfect. Inevitably, the granting of monopoly power to the State to retaliate for acts of coercion will lead to abuses of that power. Power, after all, is rarely held without abuse; monopoly power is *never* held without abuse. But though this monopoly power is necessary to rein in crime, it is far more frightening—if quieter—than the power of the ordinary criminal over the law-abiding citizen. As Albert Jay Nock observed, the State is "*the organization of the political means*,"⁷ and is therefore at least as much more to be feared over the ordinary criminal as is organized crime. What is to be feared, moreover, is not mere *potential*, but the actuality that over 40 percent of our productive efforts are seized by the State without just cause. I know of no study claiming that even the more dismal neighborhoods in America suffer comparable losses to crime (with some notable exceptions involving organized crime, of which overreaching government is but a species).⁸ Nor is it mere property that government *actually* deprives us of; many tens of thousands of peaceful citizens languish in penitentiaries, prisons, and jails for what Nolan describes as "bureaucratic 'crimes' arising from disputes with government em-

ployees over billing procedure, loan documentation, late filing of documents or other violations of statutes that are technical in nature."⁹ And, of course, tens of *millions* of citizens simply adapt their *whole manner of living* to the demands of the State—daytime as well as nighttime—rather than face the terrifying prospect of incarceration.¹⁰

Nor is it sufficient that the government maintains "swarms of officers to harass our people, and eat out their substance,"¹¹ it also has recently begun coöpting the entire corpus of the citizenry into joining the anti-crime enterprise. For example, in one of the worst decisions handed down in the last century, the U. S. Supreme Court recently ruled, by a 5–4 margin, that the civil-asset forfeiture laws *are* constitutional even when the owner is completely innocent of any crime.¹² The reasoning used was that citizens have a duty to the State not to negligently allow their property to be used for unlawful purposes. Under this theory, businesses, homes, cars, and boats have been seized when owners have not been sufficiently vigilant in preventing some occupant from doing something—usually something petty, like a minor violation of a drug statute—illegal. Indeed, this decision reverses almost 800 years of jurisprudence: It was Magna Carta which first declared that no person's property shall be seized but upon the judgment of his peers for violating the law of the land.

A second example whereby the State would make of everyman a policeman is in the dubious area of sexual-harassment law. It is not sufficient that sexual harassment—whatever that may *actually* mean—is a civil rights violation, but companies, universities, and contractors are held responsible for the acts of their agents—even when, as is so often the case, the alleged offense is outside the scope of the agency of the individual and the institution is not only not a party to the offense but not even cognizant of it. Again, the theory is that private enterprises must not through their negligence and lack of vigilance allow their agents to commit these wrongs or *they* will be held responsible for behavior they are neither aware of nor condone. They are thus forced to become the junior partners of law

enforcement—enforcing the law in their private domains under threat of substantial civil liability.

Yet another example by which the government would coöpt the citizenry is the New Jersey initiative¹³ encouraging drivers to use their car phones to report speeding cars and other miscreant drivers—this notwithstanding that the use of car phones is far more dangerous¹⁴ than is speeding.¹⁵

And, from Virginia comes a legislative proposal requiring citizens to police other citizens: Owners, managers, and operators of parking lots, rental housing, shopping centers, airports, docks, and shipyards must report a large number of details about the vehicles stored in their facilities so as to facilitate state personal property tax collection. If they do not act as government informants, it is proposed that they be criminally liable.¹⁶ All these examples—and there are countless others—of government devolution of its responsibilities (whether overreaching or proper) on the citizenry bespeak a mindset present in the now-fallen totalitarian regimes of the East: They are hardly fitting for the land of the free.

Yes, we must have government: Our civilization is indeed “built upon the ruins of the bowers of paradise.” But even when it is putatively exercising its proper functions, the proper attitude toward the State remains eternal vigilance tinged with fear. □

aside by a judiciary intent on the most narrow construction of the fifth and fourteenth amendments’ guarantee that “no person shall be deprived of . . . property without due process of law.”

7. Albert Jay Nock, *Our Enemy, The State* (Fox & Wilkes, 1994), p. 24. The astute reader will recall that Nock starts his second chapter by taking issue with Paine and distinguishing between “government,” the term he uses for the proper functions of the polity, and “the State,” the term he defines as above. But although Nock was fully aware of the propensity for “government” to turn into “the State,” he could not know, writing in 1935, as we do having borne witness to the full horrors of the Third Reich and the Soviet Union, just how untenable that distinction is, given that an effective “government” must have a monopoly on the very powers that allow it to turn into “the State.” Following standard practice, we use the two words interchangeably.

8. But a fascinating study has come out showing that when the Russian economy was privatized by selling off state enterprises, all those who could afford to buy were connected to the Communist Party and organized crime and today, the report claims, over 40 percent of the Russian economy is controlled by organized crime. (Jonathan Lynn, “Organized crime controls nearly half of Russia’s economy, U.S. study says,” *Seattle Post-Intelligencer*, March 20, 1997, p. A4. The study was conducted by Louise Shelley of American University and appeared in *Transition*, the newsletter of the World Bank.) Clearly, some form of stake-claiming, perhaps allowing joint ownership, perhaps involving a lottery, would have been a better way to unload government enterprises.

9. K. L. Billingsley, *op. cit.*, p. 203.

10. A small but telling example of this accommodation occurs to me as I write this. The tax (FCC line charge, municipal surcharge, county emergency services surcharge, New York State/Metropolitan Transportation Authority surcharge, New York gross receipts tax surcharge, New York Entertainment & Information Sales Tax, New York State sales tax, New York City sales tax, Federal excise tax) on my local telephone bill is some 30% of the total. For a while, it was possible to avoid most of the above by using a long-distance carrier. So, when I dialed any number outside of New York City—proper, such as nearby suburbs, I habitually punched in 10288 first, so that my call was carried by AT&T. We are so used to accommodating the demands of government—relative to the accommodations made because of the more recent crime epidemic—that we hardly notice all the routines we go through just to carry out ordinary activities—even in the quiet of our homes! A more common example is the selection of an out-of-state mail-order vendor solely to avoid sales tax and regardless of whether the vendor offers the best quality for the (nominal) price.

11. Declaration of Independence.

12. *Bennis v. Michigan*, 116 S.Ct. 994 (1996).

13. See Michael Drewniak, “Road safety: Drivers, make it your calling,” *Star-Ledger*, February 11, 1997, pp. 13, 18. The article reports on both the initiative and the civil-liberties concerns it sparked.

14. See Ted Sherman, “Study: Car phones heighten crash risk,” *Star-Ledger*, February 13, 1997, pp. 1, 22. The article cites a study by Donald Redelmeier and Robert Tibshirani of the University of Toronto which appeared in the *New England Journal of Medicine*, but also contains much information specific to New Jersey.

15. This point is made eloquently by Steven G. Maurer, “Car phone follies,” *Star-Ledger*, March 2, 1997, Section 10, p. 2.

16. For a discussion of this proposal, see *Privacy Forum Digest* 6:3 available by listserv, gopher, and ftp, as well as on the Web, from vortex.com.

1. For an early, very powerful statement of this, see Jonathan Swift’s *Gulliver’s Travels*, Part IV: “A Voyage to the Houyhnhnms,” Chapter 5 in its entirety.

2. Thomas Paine, *Common Sense in The Life and Major Writings of Thomas Paine* (Philip S. Foner, editor; Carol Publishing Group, 1993), pp. 4–5.

3. Henry David Thoreau, *The Variorum Civil Disobedience* (Walter Harding, editor; Wayne Publishers, 1967), pp. 31–32.

4. Quoted in K. L. Billingsley, “Economics 101—From Prison,” *The Freeman* 45(April 1995): 202–203.

5. Thomas Paine, *op. cit.*, p. 4.

6. See James Bovard, “Seizure Fever: The War on Property Rights,” *The Freeman* 46(January 1996): 6–13. Under the seizure laws, the actions are nominally against property, not against owners. Unfortunately, due-process protections have been swept

Algernon Sidney: Forgotten Founding Father

by Chris Baker

Algernon Sidney (also Sydney) was an English martyr for republican government. He was executed in 1683 for allegedly conspiring to kill King Charles II; his political writings were used as “evidence” against him. His uncompromising spirit inspired both the Glorious Revolution of 1688 and the American Revolution of 1776.

Born in 1622, Sidney was the second son of the Earl of Leicester and a nephew of the poet Philip Sidney. He was raised at the family’s estate in Kent. His father, Robert, was a diplomat who owned a vast library, which included classics of religion, philosophy, and history. As an adolescent, Sidney traveled with his father to Denmark, France, and Rome. In Paris, he met the Dutch-born diplomat and political theorist Hugo Grotius, who was representing Sweden at the French court.

In 1646, Sidney was elected to what came to be known as the Long Parliament—so named because it was in session for eleven years. The increasingly fanatical Puritans ordered King Charles I’s execution in 1649. Being a man of reason, Sidney did not support execution—he always sought justice, never vengeance. Cromwell dissolved Parliament in 1653, but Sidney refused to leave his seat until the Lord Protector’s troops forcibly removed him.

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With his life now in danger, he fled to the Netherlands.

Sidney returned to his seat in 1659 and was one of three men sent by England to negotiate peace in the war between Denmark (which also controlled Norway) and Sweden. Up to this time, the Danes controlled land on both sides of the narrow passage connecting the Atlantic Ocean and the Baltic Sea and charged exorbitant dues to all ships that passed through. The treaty ending this war gave Sweden total control of their side of the waterway. The Baltic Sea was opened to all nations and has remained so to this day, except in times of war.

Parliament crowned Charles II, son of Charles I, king the next year. Sidney refused to apologize for his earlier actions and did not return to England after his successful diplomatic mission. The king’s assassins would make two attempts on his life. In the mid-1660s, Sidney unsuccessfully appealed to French and Dutch leaders, hoping to enlist their aid in the republican cause. He also indulged in his first love—books.

He was allowed to return to England after his father’s death in 1677 and began working with William Penn for religious freedom in both England and Pennsylvania. Not even the new colony was liberal enough for Sidney. He believed that it left too much power in the chief executive’s hands.

He met with other republicans (who were forming the Whig Party) and made an unsuc-

cessful run for Parliament. At that time, many republicans—including Sidney—were receiving money from the French ambassador. France, the major European power at the time, hoped to keep its archrival weak and divided.

In 1680, Robert Filmer's *Patriarcha* was published. Filmer (who had died in 1653) argued that absolute monarchy was a natural form of government, existing from the creation. Fathers governed families, and the right to rule passed on to the eldest son. Sidney penned his *Discourses Concerning Government* in response to Filmer.

Fearful of a "popish plot," the Whigs believed that Charles, with the encouragement of his Catholic brother James, was attempting to re-establish an absolute monarchy. Charles II dismissed Parliament in 1681. Unable to check the crown by lawful means, some Whigs considered assassination. The defiant Sidney was arrested on June 26, 1683, for his alleged part in the "Rye House Plot." The prosecution searched his home and found his writings, which he claimed were not intended for publication. Convicted in a dubious trial, Sidney was beheaded on December 7, 1683.

Sidney was not totally opposed to monarchy. "The best Governments of the World have bin [sic] composed of Monarchy, Aristocracy, and Democracy," he believed. "The difference therefore between good governments and ill governments is not, that those of one sort have an arbitrary power which the others have not, for they all have it; but that those which are well constituted, place this power so as it may be beneficial to the people, and set such rules as are hardly to be transgressed; whilst those of the other sort fail in one or both these points."¹

But he did believe uncompromisingly in the right of revolution. He saw government as a contract among the people. He wrote: "God leaves to Man the choice of Forms in Government; and those who constitute one Form, may abrogate it. . . . The general revolt of a Nation cannot be called a Rebellion. . . . Laws and constitutions ought to be weighed . . . to constitute that which is most conducing to the establishment of justice and liberty."² Sidney

saw this necessity because: "Many things are unknown to the wisest, and the best men can never wholly divest themselves of passions and affections . . . nothing can or ought to be permanent but that which is perfect."³

To retain its liberty a society must be composed of people who are willing to question the authority of "superiors." "Who will wear a shoe that hurts him, because the shoe-maker tells him 'tis well made? . . ." Sidney asked. "Such as have reason, understanding, or common sense, will, and ought to make use of it in those things that concern themselves and their posterity, and suspect the words of such as are interested in deceiving or persuading them not to see with their own eyes. . . . A general presumption that Kings will govern well, is not a sufficient security to the People . . . those who subjected themselves to the will of a man were governed by a beast."⁴

A more accurate title for the *Discourses* might be *History of Liberty*. Throughout the book are references to the works of Hugo Grotius, Livy, Niccolò Machiavelli, Cornelius Tacitus, Plutarch, Plato, and Aristotle. Sidney was most impressed by the Bible, Livy's *History of Rome*, and Grotius's *The Law of War and Peace*. The history of the Roman Republic and its decay into empire and eventual ruin especially fascinated him.

Sidney saw history largely as an eternal conflict between virtue and vice. This idea appeared throughout:

... the strength, virtue, glory, wealth, power, and happiness of Rome proceeding from liberty, did rise, grow, and perish with it.

Whilst liberty continued, it was the nurse of virtue; and all the losses suffered in foreign or civil wars, were easily recovered: but when liberty was lost, valour and virtue were torn up by the roots, and the Roman power proceeding from it, perished.⁵

Sidney also noticed the pattern in their vanquished opponents: "All the nations they had to deal with, had the same fate. They never conquer'd a free people without extreme difficulty. . . . But the greatest kings were easily overcome." This occurred because

"such principles as make men honest and generous, do also make them lovers of liberty, and constant in the defence of their country. . . ." Free societies were more prosperous, could afford war, and recover from it. He added: "That is the best Government, which best provides for war."⁶ The wars of the twentieth century, the most violent ever, would prove him correct.

Dictatorships were impractical because—as Friedrich Hayek would later observe in *The Road to Serfdom*—the worst find their way to the top. "The histories of Greece," Sidney noticed, "Sicily, and Italy shew that all those who made themselves tyrants in several places, did it by the help of the worst, and the slaughter of the best." Tyrants "hate virtue for its own sake, and virtuous men for being most unlike to themselves."⁷ This philosophy has proved even more true in today's welfare states, "people's republics," and other anti-capitalist economic systems.

This did not mean that Sidney was a pragmatist. His main concern was not whether a political system "worked." He was convinced that republican government did function well, and he knew how and why.

Sidney was a pioneer in natural rights theory. "The common Notions of Liberty are not from School Divines, but from Nature . . .," he declared. "'Tis hard to comprehend how one man can come to be master of many, equal to himself in right, unless it be by consent or by force. . . . No right can come by conquest, unless there were a right of making that conquest. . . ." In summary, he understood that: "To depend upon the Will of a Man is Slavery."⁸

Liberty was consistent with equality before the law. "That equality which is just among equals," he wrote, "is just only among equals; but such as are base, ignorant, vicious, slothful, or cowardly, are not equal in natural or acquired virtues, to the generous, wise, valiant, and industrious. . . . There may be a hundred thousand men in an army, who are all equally free; but they only are naturally most fit to be commanders or leaders, who most excel in the virtues required for the right performance of those offices."⁹ His idea of

equality did not even resemble the corrupt concept of equality that is worshiped in the world today.

Agreeing with Aristotle that man is a rational animal, Sidney believed that a life of virtue was a life of reason. "Man's natural love to Liberty is temper'd by Reason, which originally is his Nature," he declared. "The truth is, man is hereunto led by reason which is his nature. Everyone sees they cannot well live asunder, nor many together, without some rule to which all must submit. This submission is a restraint of liberty, but could be of no effect as to the good intended, unless it were general; nor general, unless it were natural."¹⁰ He not only knew that a free society would prosper—he knew why a free society had to prosper.

While his better-known contemporary John Locke harshly criticized self-interest, Sidney seemed to favor it. He believed that "man naturally follows that which is good, or seems to him to be so. Hence it is that in well-govern'd states, where a value is put upon virtue . . . men are from the tenderest years brought up in a belief, that nothing in this world deserves to be sought after, but such honors as are acquired by virtuous actions: By this means virtue itself becomes popular."¹¹

Sidney's political philosophy had one fatal flaw, which Locke also accepted. He believed that "if he enter into the society, he is obliged by the laws of it."¹² (Locke called it tacit consent.) Yet Sidney was the most radical man of his time. While Locke earned fame and prestige, Sidney became famous mostly for his "treason." Had he lived out his life, he might have had as much influence as Locke, whose major works were all published after the bloodless revolution of 1688. Published in 1698, the *Discourses* are the product of a great mind whose greatness would not be understood until long after his death.

After the death of Charles II in 1685, James II took the crown, and a friendly (at that time) Parliament met for the first time in four years. The new king's preferential treatment of Catholics vindicated the Whigs' fears. When the queen gave birth to a son in 1688, even the once-conservative Parliament supported revolution. James's troops and his daughter

Anne deserted him. His older daughter, Mary, and her husband, William of Orange, claimed the throne. Parliament passed a bill of rights and absolved Sidney the next year.

Influence in the American Colonies

John and Samuel Adams, George Mason, James Madison, and Benjamin Franklin all acknowledged Sidney's influence on American political thought. A group of Virginians (Patrick Henry included) founded Hampden-Sydney College in 1776 and named it in his honor (and John Hampden's). And in 1825, as founder of the University of Virginia, Thomas Jefferson issued this statement: "Resolved, that it is the opinion of this Board that as to the general principles of liberty and the rights of man, in nature and in society, the doctrines of Locke, in his 'Essay concerning the true original extent and end of civil government,' and of Sidney in his 'Discourses on government,' may be considered as those generally approved by our fellow citizens of this, and the United States."¹³

In the nineteenth century, when so many of his theories proved true, his popularity declined sharply. The *Discourses* were out of print in America from 1805 to 1979. His countrymen preferred to remember his collaborations with foreign leaders. Winston Churchill called him "indomitable." The Catholic Lord Acton wrote that it was "humiliating to trace a political lineage to Alger-

non Sidney, who was the paid agent of the French king."¹⁴ The Anglo-Americans also lost their faith in liberty.

But Sidney's influence remains. Massachusetts adopted its motto from a quote which had appeared on an earlier edition of the *Discourses*: "*Ense petit placidam sub libertate quietem* [By the sword we seek peace, but peace only under liberty]." His most famous quote appeared in Franklin's *Poor Richard's Almanack*: "God helps those who help themselves." American slavery abolitionists like William Lloyd Garrison borrowed another line: "That which is not just, is not Law; and that which is not Law, ought not to be obeyed."¹⁵

Samuel Adams gave Algernon Sidney the most accurate label of all—"patriot." In a nation of liberty-loving people, he can be nothing less. □

1. Algernon Sidney, *Discourses Concerning Government*, ed. Thomas West (Indianapolis, Ind.: Liberty Classics, 1990), pp. 166, 570.

2. *Ibid.*, pp. 20, 519, 461.

3. *Ibid.*, p. 461.

4. *Ibid.*, pp. 12, 13, 398, 401.

5. *Ibid.*, pp. 149, 161.

6. *Ibid.*, pp. 143, 432, 209.

7. *Ibid.*, pp. 186, 266.

8. *Ibid.*, pp. 8, 32, 17.

9. *Ibid.*, p. 80.

10. *Ibid.*, pp. 191, 192.

11. *Ibid.*, pp. 253.

12. *Ibid.*, p. 104.

13. Thomas Jefferson, *Writings*, ed. Merrill Peterson (New York, N.Y.: Library of America, 1984), p. 479.

14. Lord Acton, *Essays in the History of Liberty*, ed. J. Rufus Fears (Indianapolis, Inc.: Liberty Classics, 1986), p. 47.

15. Sidney, pp. 210, 380.

The Legal Assault on Competence and Honesty

by David R. Henderson

In October 1993, when Northwest Airlines announced that it had agreed to rehire pilot Norman Prouse as a ground trainer, a company spokesman acknowledged that “some Northwest employees might be bitter.” The reason: three years earlier, Mr. Prouse, after an all-night drinking binge with the two members of his flying crew, had flown a plane from Fargo to Minneapolis early the next morning. Whereas FAA rules prohibited flight crew members from operating planes if they had a blood-alcohol level higher than .04 percent and Minnesota law defined drunk driving at .10 percent, Prouse’s level, measured three hours after the plane had taken off, measured a whopping .13 percent. The three drinking buddies were thrown in prison, and, after emerging, Prouse entered a rehabilitation program. But the Americans with Disabilities Act (ADA), which President Bush had signed in 1990, protected alcoholics who entered rehab, and Northwest, which could have tried to cover itself under an exception, instead claimed virtue for rehiring an employee who had broken its rules and lied about it. By July 1995, Northwest confirmed that Mr. Prouse was again flying.

In the early 1990s, a UCLA heart surgeon spread hepatitis B to 18 patients: apparently the virus passed through the holes in his gloves. “The hospital’s decision to allow the

surgeon to keep on operating even after he was found to be infected,” said a hospital spokesperson, was “in compliance with federal regulations.” The particular federal law the spokesperson was referring to was, once again, the ADA. Laurence Gostin, a prominent advocate of the ADA, wrote, “Seen through the lens of the ADA, public health regulation may be regarded as discrimination against people with disabilities.” The ADA also protected a manic-depressive against an employer who did not want to hire him as a crane operator. Under Michigan’s “discrimination law,” a jury, citing narcolepsy as a protected category, awarded \$610,000 to—a surgeon!

These are a few of the many stories that Walter Olson tells in his new book, *The Excuse Factory: How Employment Law Is Paralyzing the American Workplace* (Free Press, 378 pages, \$25.00). If it were just a series of well-documented horror stories about how employment law makes it hard for employers to fire incompetent and dangerous employees, Olson’s book would be well worth the price. In that respect alone, *The Excuse Factory* is better than Philip Howard’s excellent book, *The Death of Common Sense*. Indeed, with his exquisite mixture of anger and humor, Olson, a fellow at the Manhattan Institute, writes like a modern Voltaire.

But *The Excuse Factory* is more than just a collection of stories. Olson explains *why* they happened. He writes of the key articles in

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various law reviews, the key court decisions, the important legislation, and the important players. He then connects the dots, showing how all those factors came together to create a nightmare of contradictory regulations that would humble Kafka. And he does so with the style and drama of a detective novel.

Ever since slavery ended in the United States, the law governing employment in America had been the so-called "at will" doctrine, which treated employers and employees equally. Just as employees were free to quit without cause, employers were free to fire without cause. But in 1967 Lawrence Blades, a professor at the University of Kansas, argued in a law review article that being fired had harsh consequences for employees. The "ever-increasing concentration of economic power in the hands of fewer employers," wrote Blades, meant that employees would "become even more easily oppressed." Blades's prediction of fewer employers, Olson notes, was "a singularly bad bit of market forecasting." To right the alleged wrongs, Blades advocated letting employees sue employers who fired without "good cause." Dozens of other law review authors piled on, and, by the 1980s, few law professors could be found who would defend employment at will. Later, Harvard law professor Alan Dershowitz asserted, "Suing is good for America."

By Dershowitz's criterion, America prospered. In 1980, the Michigan Supreme Court concluded that a statement in a Michigan Blue Cross employee handbook that employees would be released "for just cause only," was a binding contract. Previous courts had never read such statements that way. "Wielding novel legal arguments like a miracle Ginsu knife," writes Olson, "the court in short order reduced the half-dozen old contract doctrines to cole slaw." The court went further. Jurors didn't have to worry, the judges said, about whether an employer had acted in good faith, but instead could substitute their own judgment. In another ruling handed down the same day, the Michigan court said that verbal statements of praise, even those made by a long-departed supervisor, could be treated as an oral contract. By 1990, writes Olson, courts in at least 38 states and federal appeals courts

in at least 19 cases cited the Michigan Blue Cross decision approvingly. Employment at will was gone.

Also gone was the legal recognition of employers' right to refuse to hire, even if their grounds for refusal were reasonable. Courts ruled against a company that refused to hire a crane operator who had been convicted of first-degree murder, because the offense had not been recent and was not closely related to the job. Admitting that a convicted forger's offense was relevant to a job at a photographic studio, a court said the six-years-old offense was not recent enough. Another court found against a company that was reluctant to hire a convicted shoplifter as a dock worker. Its reason: the items he stole weren't very valuable! Courts even have decided that if an employer asks an "improper" question at a job interview—about, for example, such irrelevant details as whether the applicant has a criminal record, a history of mental illness, or a problem with alcohol—the employee has a "right to lie."

But one law the courts couldn't control was the law of unintended consequences. There are many. One is the virtual elimination of job references. Standard policy at most companies today is to admit that, yes, the former employee who asked for a reference did work here, in this position, between these dates, period. The reason: an employer who says that the employee was fired or was incompetent or assaulted his fellow workers could be sued for defamation, malice, or "conscious indifference." Some courts even order employers to provide favorable references to workers who have sued them. This is far more intrusive than simple censorship: it is an outright invasion of the employers' minds.

Another consequence of the laws is that employers end up with less competent employees. Because tests of physical strength have "adverse impact" on women, for example, virtually every large U.S. city government has been sued over the physical tests they use to hire police and firefighters. The San Francisco fire department, which had formerly asked recruits to lift a 150-pound sack up a flight of stairs, now lets them drag a 40-pound sack—across a smooth floor. Although easing

standards has not substantially increased the number of women hired—Olson estimates that only about one percent of firefighters nationwide are women—an unintended consequence is increased hiring of weak men.

Ever wonder why companies often announce generally available severance packages to large numbers of employees rather than pruning out the ones they want to get rid of? Olson shows how this now-common practice is a way around the age-discrimination law and other employment laws. Employers cannot be legally safe by firing just employees beyond a certain age, nor can they be legally safe by firing just the incompetent or less competent employees. A further unintended consequence of the laws is to make career and retirement planning difficult for employees. Now, if employees quit without being offered a severance package, they might miss out on one offered the next month.

One of the most ominous consequences of the changes in employment law is the stifling of free speech. In 1992 a federal court ordered that workers in a government office be prevented from making remarks contrary to the religious beliefs of their fellow employees. But making remarks contrary to other people's religious beliefs is precisely one of the kinds of speech that the founding fathers meant to protect with the First Amendment. The First Amendment says there shall be "no law . . . abridging the freedom of speech"? What part of "no law" don't those judges get?

When you read Olson's book, you see how superficial is the current conservative push for ending quotas in hiring. "If official encouragement for preferences were withdrawn tomorrow," he writes, "the great bulk of litigation would continue, and so would most of the managerial headaches." You also see how callous, hypocritical, and possibly outright evil some of the advocates of the new employment

law are. Take, for example, the many congressmen who voted to eliminate mandatory retirement for almost all employers, but to keep automatic retirement at age 55 for firefighters and police who guard *federal* installations. The congressmen presumably understood that alertness and strength decline with age, but cared only when it affected the places they worked. Or take Warren Rudman's claim, when he was a U.S. Senator from New Hampshire, that the Senate's rights in dealing with their employees should be "absolute" because otherwise the Senate would be subject "to the whims of a U.S. district-court judge" who "would have the power to overrule the considered judgment of 100 members of this body." Why didn't Rudman use the same arguments to defend the rights of other employers? Finally, take Ira Glasser, then executive director of the American Civil Liberties Union, which has been in the forefront of the battle to prevent employers from firing employees. When he had a disagreement with an employee, he ordered, "Please leave the building and take only personal possessions with you."

Olson notes that when association is compelled, as the law now does, what suffers most, ironically, is diversity. "A nation that truly cared about diversity would allow the flourishing of both bawdy calendars at some workplaces and Bible readings at others," he writes. Fortunately, Olson offers a solution: freedom of association. With employers and employees free to deal with each other—or not—employees can choose employers whose desires and characteristics fit their own, and so can employers. Olson writes: "[L]iberty—the simple policy of refusing to force others to deal with us against their will and without their consent—turns out to be the best method to elicit the greatest willingness and enthusiasm to cooperate from those who might do us good." □

Benjamin Constant— Liberty and Private Life

by Jim Powell

The French thinker Benjamin Constant was, according to respected Oxford University scholar Isaiah Berlin, “the most eloquent of all defenders of freedom and privacy.” Constant’s most important contribution: he recognized that “the main problem . . . [is] how much authority should be placed in any set of hands. For unlimited authority in anybody’s grasp was bound, he believed, sooner or later, to destroy somebody.”

Constant described the dynamic of collectivism that would become a scourge during the twentieth century. For instance: “the primitive conquerors were satisfied with outward submission; they did not inquire into the private lives or local customs of their victims . . . the conquerors of today are resolved to gaze over the level surface of their empire and to encounter no deviation from uniformity . . . local interests and traditions contain a germ of resistance, which a centralized authority tolerates unwillingly and attempts to eradicate at the first opportunity. It finds the isolated individual easier to deal with; without effort it crushes him beneath its mighty weight.”

He denounced war, “the greatest offense that a government today can commit. It

destroys every social guarantee without compensation; it jeopardizes every form of liberty; it injures every interest; it upsets every security; it weighs upon every fortune. It combines and legitimizes every kind of internal and external tyranny.”

Constant believed the key issue is to keep political power out of private life. “For forty years,” he reflected, “I have defended the same principle: freedom in everything, in religion, in philosophy, in literature, in industry, in politics—and by freedom I mean the triumph of the individual both over an authority that would wish to govern by despotic means and over the masses who claim the right to make a minority subservient to a majority. . . . The majority has the right to oblige the minority to respect public order, but everything which does not disturb public order, everything which is purely personal such as our opinions, everything which, in giving expression to opinions, does no harm to others either by provoking physical violence or opposing contrary opinions, everything which, in industry, allows a rival industry to flourish freely—all this is something individual that cannot legitimately be surrendered to the power of the state.”

Constant made some spectacular flip-flops, he had tangled love affairs, and he ran up big gambling debts, so he was an easy target for criticism. These things, noted intellectual historian Biancamaria Fontana, “were all distinctive marks of a traditional aristocratic

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education. Though they may strike the modern reader as adventurous and romantic, there was nothing especially odd or unusual about them. What was truly eccentric about Constant's life was . . . the unsettling extent of his cosmopolitanism." He moved easily among intellectuals in France, Germany, Holland, Belgium, and Britain, as well as his native Switzerland. He absorbed the ideas of Baron de Montesquieu about law and the ideas of Adam Smith and Jean Baptiste Say about markets. He was a friend of Wilhelm von Humboldt, Johann Wolfgang von Goethe, and Johann Christoph Friedrich von Schiller. In the French Chamber of Deputies, Constant championed civil liberties with the legendary Lafayette.

Victor Hugo believed that Constant was "one of those rare men, who furbish, polish, and sharpen the general ideas of their times." Said Lafayette: "Endowed with one of the most extensive and varied esprits which has ever existed . . . the master of all the languages and literatures of Europe, he united to the highest degree sagacity . . . and the faculty, especially attributable to the French school, of making clear abstract ideas."

Constant was an eyeful. "His appearance was striking," noted biographer J. Christopher Herold, "tall and gangling, in his late twenties; a pale, freckled face surmounted by a shock of flamboyant red hair, braided at the nape and held up by a small comb; a nervous tic; red-rimmed myopic [blue] eyes; ironic mouth; a long, finely curved nose; long torso, poor posture, slightly pot-bellied, long-legged, wearing a long flapping riding coat—a decidedly gauche, unhandsome, yet interesting and attractive figure of a man, certainly somebody altogether out of the ordinary."

By his fifties, Constant had become a familiar figure as a member of the Chamber of Deputies, the French elected legislative body where he was an outstanding champion of freedom of speech and freedom of the press. Baron de Loeve-Weimars recalled Constant "dressed in his gold-embroidered deputy's uniform so as to be ready to address the House from the tribune where it was obligatory to wear this formal dress. His hair was blond and turning white, and on his head he

wore an old round hat. He carried under his arm a coat, books, manuscripts, printer's proofs, a copy of the budget and his crutch. Once he had got rid of all these impedimenta and was seated on his bench, on the far left, he began to write and send off an unbelievable quantity of letters and notes to people . . . answered the questions of all those crowding around him."

According to historian Paul Thureau-Dangin, "At first sight one would never have said that he had the usual qualities necessary to make an orator. He seldom improvised without having a pen in his hand; but his pen had the quickness of speech, and sometimes he wrote out his reply in full while still listening to the harangue he was to refute. He normally read his speeches from little pieces of paper which he was constantly obliged to put in order. . . .

"With his clever rather than highly coloured speeches, subtle rather than powerful in their delivery, he showed great skill in argument, rare presence of mind, he had a way of saying everything, despite legal restrictions, so that even the most intolerant audience understood what he was implying, and he was nimble enough to slip through his opponent's fingers and to stand up for himself even in the tightest corner."

Beginnings

As Constant began the story of his life, he wrote that "I was born on 25 October 1767, in Lausanne, Switzerland, the son of Henriette de Chandieu, who was from a formerly French family which had taken refuge in the Pays de Vaud for religious reasons, and Juste Constant de Rebecque, a colonel in a Swiss regiment in the service of Holland. My mother died as a result of giving birth, a week after I was born."

He had a succession of tutors and read eight to ten hours a day. After trying to get him admitted to Oxford University (he was too young), Juste sent him to the University of Erlangen (Bavaria), where he began learning German and became addicted to gambling. Then he transferred to the University of Edinburgh where faculty included such dis-

tinguished friends of liberty as Adam Smith, Adam Ferguson, and Dugald Stewart. Constant mainly studied history and Greek. After two years, he went to Paris and studied with the intellectual Jean-Baptiste-Antoine Suard—his friends included Scottish philosopher David Hume, English playwright David Garrick, English novelist Lawrence Sterne, French mathematician Jean le Rond d'Alembert, French philosopher Marquis de Condorcet, and Lafayette. Before Constant was 18, he had learned to get along in three languages, and he was exposed to the ideas of brilliant thinkers.

In May 1789 he married Baroness Wilhelmina von Cramm, lady-in-waiting for the Duchess of Brunswick, but she didn't share his intellectual curiosity, and they were divorced.

Constant watched the French Revolution as it lurched from constitutionalism to Jacobin Terror. "I am currently busy reading and refuting Burke's book against the French levellers," he wrote a friend. "This famous book contains as many absurdities as it does lines, and thus it is highly successful in all English and German circles. He defends the nobility, the exclusions of the *sectaires*, the establishment of a dominant religion, and other things of this nature. . . . I believe, as you do, that what we are witnessing is fundamentally knavery and fury. But I prefer the knavery and fury which overthrow citadels, destroy titles and similar follies, and place all religions on an equal footing, to those which seek to preserve and hallow these wretched monstrosities. . . ."

Madame de Staël

On September 18, 1794, Constant met Germaine de Staël on a road between Nyon and Coppet, Switzerland. She was the 28-year-old daughter of Suzanne Curchod, former lover of historian Edward Gibbon, and Jacques Necker, a Geneva banker who had served as the last finance minister under French King Louis XVI and had lent him some 2 million francs. She was married off to Eric-Magnus de Staël, impecunious Swedish aristocrat who became ambassador to France. He got some of her money, and she got better

connections at the French court. Madame de Staël emerged as the most influential woman in Europe—brilliant, bold, vain, and sensuous.

She launched a fabled salon that attracted the leading lights of French life, including Condorcet and Lafayette. As Constant described his impressions of her: "I have seldom seen such a combination of astounding and attractive qualities; so much brilliance coupled with so much good sense; such expansive, positive kindness; such immense generosity; such gentle and sustained politeness in society; such charm and simplicity; such absence of all restraint within the circle of her intimates." Constant particularly admired her for operating a remarkable network to help friends escape from the French Reign of Terror.

One of Madame de Staël's friends, Jean Lambert Tallien, launched the political attack on Maximilien Robespierre that brought his overthrow and execution in July of 1794, ending the Reign of Terror. Almost a year later, May 25, 1795, Constant and Staël ventured to Paris and witnessed the ruins of revolution amidst runaway inflation. They found many neighborhoods deserted. All around they saw signs saying that properties which the government had confiscated were for sale. Impoverished aristocrats held tag sales on the streets, offering their clothing, furniture, draperies, statues, anything that might fetch money for food. "The capital of the world," according to Staël's friend Henri Meister, "looks like an immense junk shop."

On September 23, 1795, the ruling Convention approved the third constitution since the Revolution began. This one established an executive consisting of a five-person Directory and a two-chamber legislature. The franchise was limited to those of substantial means. Members of the Convention wanted to retain their power, so they proposed a law which would require that two-thirds of the new legislature come from the Convention. Constant launched his political career by writing three articles opposing the proposed law, published in the June 24, 25, and 26 issues of *Nouvelles Politiques*—a newspaper edited by his former tutor Jean-Baptiste-Antoine Suard. He and Staël were accused of being

dangerous counterrevolutionaries, and they left Paris.

Napoleon's Ascent

Staël's friend Paul Barras, a member of the Directory, turned his mistress, Josephine de Beauharnais, over to an unemployed military commander named Napoleon Bonaparte. During the Revolution, Napoleon had emerged as a Jacobin and, after the government declared war against Britain and Holland in February 1793, then against Spain the following month, the country was soon surrounded by enemies. Napoleon demonstrated his resourcefulness by driving British and Spanish forces out of Toulon, about 40 miles east of Marseilles on the Mediterranean. This throttled royalist hopes of inciting an anti-Jacobin rebellion throughout southern France. In December 1793, amidst the Reign of Terror, the Convention named Napoleon a brigadier general. When royalist forces threatened to crush the Convention, Barras summoned Napoleon, and on October 5, 1795, he unleashed his artillery.

In April 1796, Napoleon struck at the Sardinian army and crushed it. By boldly throwing himself into battle when his subordinates got bogged down, Napoleon captured Milan, the financial and cultural capital of Lombardy—and his awed men began calling him "*Le Petit Caporal*" ("the Little Corporal"). At Castiglione, Napoleon faced an Austrian army that had grown until it was three times bigger than his own forces, but he took some 15,000 Austrian prisoners. Outnumbered by another Austrian army at Lodi and Rivoli, Napoleon won again as he killed some 30,000 Austrian soldiers. He set up administration of his spoils—about half of Italy—then returned triumphant to Paris.

On September 4, 1797 (known as 18 Fructidor on the revolutionary calendar), Napoleon helped Barras seize power, expelled Directors who wanted to restore the Bourbon monarchy, suppressed royalist newspapers, and deported 165 dissidents to French Guiana. Horrified at the prospect of seeing the Bourbons back in power, Constant praised Barras.

Napoleon thirsted for military glory, so he sailed for Egypt, which he hoped to capture and thereby cut off Britain from its Indian empire. The campaign was a disaster, and Napoleon was lucky to escape back to France—without his army or his fleet.

France was a mess. There was unrest because of high taxes, forced loans, military conscription, and the seizure of gold, silver, and works of art. Poor people resented greedy government officials who seized their crops and their sons. There were price controls, chronic shortages, and endless lines for the simplest things like bread. Armed gangs terrorized merchants and travelers. In once-prosperous Lyons, an estimated 13,000 out of 15,000 shopkeepers had been driven out of business. Directors responded by ordering dissidents arrested, suppressing newspapers, and deporting editors. French forces were driven out of Germany and Italy. Napoleon's stunning gains had been lost. On November 9, 1799 (18 Brumaire), Napoleon decided it was time for him to seize power, and Constant and Staël supported him as a lesser evil than Jacobins or Bourbons.

Napoleon established a façade of representative government. There was a Tribune whose members received a 15,000-franc salary and were expected not to cause any trouble. Constant was appointed a Tribune, but in his first address, January 5, 1800, he presented a case for freedom of speech. He denounced Napoleon's demand to have himself named Consul for Life, which took place August 2, 1802. This meant gaining absolute power and suppressing civil liberties. "These intellectuals are like vermin in my clothes," Napoleon remarked, "I shall shake them off." Constant was dismissed. "He put himself into opposition, thinking I would pay a high price for his co-operation," Napoleon recalled later. "He should have known that I do not buy my enemies; I stamp on them."

Exile

Madame de Staël fled with Constant to Coppet, her family estate near Geneva. Then they traveled to Weimar, Germany, where he worked on a history of religion. He got to

know Johann Wolfgang von Goethe (1749-1832) and Johann Christoph Friedrich von Schiller (1759-1805).

After the death of her father, Jacques Necker, Madame de Staël turned for consolation to Constant, but he yearned to be free of her dominating influence. "Never have I met a woman who is so incessantly exacting," he noted in his diary. "One's whole life (every minute, every hour, every year) must be at her disposal. When she gets into one of her rages, then it is a tumult of all the earthquakes and typhoons rolled into one. We must part . . . it is my sole chance for a peaceful life." During their years together, she wrote about French and German romanticism, but Constant's important political writings came after their romance ended in 1808.

He had already been at work two years on his autobiographical novel, *Adolphe*. It chronicled the doomed on-again, off-again affair between aimless Adolphe and a Polish woman named Ellenore. For years, Constant held public readings of the evolving story, which almost everybody assumed to be about himself and Madame de Staël. The novel wasn't published until 1816. By then, Constant had married Charlotte von Hardenberg, who offered him the closest thing to domestic harmony he would ever know.

Meanwhile, Napoleon had emerged as a world-class monster. As historian Paul Johnson wrote, Napoleon "created the first modern police state, and he exported it. Austria, Prussia, and Russia all learned from the methods of Joseph Fouché, Bonaparte's minister of police, from 1799 to 1814. . . . Over 2 million people died as direct consequence of Bonaparte's campaigns, many more through poverty and disease and undernourishment. Countless villages had been burned in the paths of the advancing and retreating armies. Almost every capital in Europe had been occupied—some, like Vienna, Dresden, Berlin, and Madrid, more than once. Moscow had been put to the torch. . . . The wars set back the economic life of much of Europe for a generation. They made men behave like beasts, and worse."

In late November 1813, Constant started writing a pamphlet, *De l'esprit de conquête et*

de l'usurpation, which developed a sophisticated, new vision of liberty. He focused not on politics, which had preoccupied the leading thinkers for decades, but on private life. He insisted that commerce was the standard-bearer of civilization and peace. The Hanover edition appeared on January 30, 1814. This was followed by a London edition (March), and two Paris editions (April, July).

Constant offered historical perspective, writing that "what we now call civil liberty was unknown to the majority of the ancient peoples. All the Greek republics, with the exception of Athens, subjected individuals to an almost unlimited social jurisdiction. The same subjection of the individual characterized the great centuries of Rome; the citizen had in a way made himself the slave of the nation of which he formed a part. He submitted himself entirely to the decisions of the sovereign, of the legislator; he acknowledged the latter's right to watch over his actions and to constrain his will."

Constant observed how tyrants demand conformity. "The love of power," he wrote, "soon discovered what immense advantages symmetry could procure for it. While patriotism exists only by a vivid attachment to the interests, the ways of life, the customs of some locality, our so-called patriots have declared war on all of these. They have dried up this natural source of patriotism and have sought to replace it by a factitious passion for an abstract being, a general idea stripped of all that can engage the imagination and speak to the memory."

Napoleon Deposed

The British and their allies entered Paris on March 31, 1814. On April 6, the Senate, whose members were nominated by Napoleon and given the power of overthrowing laws considered unconstitutional, voted to depose him. He found sanctuary on the island of Elba, between Corsica and western Italy. At the same time, the Senate assigned some respected liberals like the economist Destutt de Tracy (1754-1835) to help draft a new constitution. It soon became clear that the British favored the restoration of the Bourbon mon-

archy as the best bet for peace—the Bourbon heir Comte de Provence, Louis XVIII, had been an exile in Britain.

Upon his return to France, Louis XVIII set aside the Senate's draft constitution, and in May 1814 he issued the *Declaration de Saint-Ouen* promising toleration and yet another constitution. The resulting *Charte*—presented as a gift from the king—assured religious toleration and equality before the law. It affirmed the abolition of feudal fees and church tithes. It accepted the *Code Napoleon*. There was an ambiguous commitment to freedom of the press. It specified that private property which had been seized during the Revolution wouldn't be taken away from those who had acquired it during subsequent decades. There would be a two-chamber legislature: the king would name members of the House of Peers, and voters would elect members of the Chamber of Deputies. Louis XVIII acknowledged the inevitability of some constitutional limitations on government power, but he certainly didn't intend to introduce British-style parliamentary government to France.

Ultra-royalists, led by the king's brother, the Comte d'Artois, considered the king a sellout for accepting so many changes from the Revolution and Napoleonic era. They denounced Louis XVIII as a "crowned Jacobin" and "King Voltaire." As the first French political party, the Ultras demanded that royalists take over the administrative bureaucracies Napoleon had established. They wanted royalists who had fled the Revolution either to get their property back or be compensated. They urged that dissidents be suppressed. When the king cut back the army, the Ultras exploited bitterness among former soldiers who needed money. And the Ultras fanned resentment against the continued Allied occupation of France and interference in French affairs. Ultras gained respectability from the intellectual counterrevolution against liberalism.

Constant responded to the Ultras by writing pamphlets that helped educate French people about parliamentary government for the first time. For instance, in *Les Reflexions sur les Constitutions (Reflections on Constitutions and the Necessary Guarantees)*, he in-

sisted that the king must be politically neutral as in Britain, ministers must be responsible for government policy, and there should be an unpaid, elected legislature. He asserted the primacy of civil liberties, including trial by jury and freedom of the press. When government censors suppressed this pamphlet, Constant wrote another, *De la liberté des brochures, des pamphlets et des journaux (The Freedom of Pamphlets and Newspapers)*.

Napoleon's Return

On March 1, 1815, Napoleon escaped from Elba and landed on the Cap d'Antibes, near Cannes, with about 800,000 gold francs and 1,100 soldiers. As they marched north toward Paris, more soldiers joined them.

Although Constant had loathed the Bourbons, he gave Louis XVIII credit for acknowledging some liberal principles, and he wrote an attack on Napoleon, published in *Journal de Paris* on March 11. He followed this with a March 19 attack in *Journal des débats*: "Napoleon has not promised clemency. . . . He is Attila, he is Genghis Khan, but more terrible and more odious because the resources of civilization are his to use. I have sought liberty in all its forms; I have seen the king ally himself with the nation." Constant added what would prove to be embarrassing hyperbole: "those who love liberty, will prefer to die upon the steps of a throne by which that liberty is safeguarded and assured."

The next day, Napoleon entered Paris with his Polish Hussars, and Constant went into hiding at Angers, about 150 miles southwest of Paris. When he heard that Napoleon had declared a general amnesty, he met Napoleon's brother Joseph Bonaparte at the Palais Royal and provided assurances of his cooperation. Joseph Bonaparte claimed that Napoleon learned his lesson and would support constitutional government. The emperor would purportedly need the help of respected liberals like Constant, and, accordingly, he was ushered into the Tuileries palace for a face-to-face meeting with Napoleon on April 14. "I need the support of the nation," Napoleon told Constant. "In return, the nation will ask for liberty; she shall have it."

Constant's friends like Lafayette hooted at the idea of Napoleon as a born-again liberal. Constant countered: "I did not for one moment believe in the sudden conversion of a man who for so long had exercised so absolute an authority. . . . I wanted to find out for myself what we could still hope for, whether his bitter experiences had in any manner altered his mind."

Constant adapted the constitution which had been accepted by Louis XVIII, and on April 24 Napoleon accepted a modified version. To avoid public debate, Napoleon presented it as a mere addition to existing laws—*Acte Additionnel aux Constitutions de l'Empire*. There were many features which reflected Constant's views, but the *Acte Additionnel* stressed monarchy much more than Constant would have liked. The *Acte Additionnel*, known as *La Benjamine*, was approved in a plebiscite and proclaimed June 1.

Principles of Politics

Constant had been working on *Principes de politique* (*Principles of Politics*), and it was published in May as an analysis of constitutional principles. "The citizens possess individual rights independently of all social and political authority," he wrote, "and any authority which violates these rights becomes illegitimate. The rights of the citizens are individual freedom, religious freedom, freedom of opinion, which includes the freedom to express oneself openly, the enjoyment of property, a guarantee against all arbitrary power. No authority can call these rights into question without destroying its own credentials."

Ultras demanded power to enforce virtuous behavior, but Constant warned that "Arbitrary power destroys morality, for there can be no morality without security; there are no gentle affections without the certainty that the objects of these affections rest safe under the shield of their innocence."

Constant challenged the doctrine that unlimited power was acceptable as long as it was exercised in the name of popular sovereignty: "When sovereignty is unlimited, there is no means of sheltering individuals from govern-

ments. It is in vain that you pretend to submit governments to the general will. It is always they who dictate the content of this will, and all your precautions become illusory."

He reaffirmed the urgency of limiting government power: "You may divide powers as much as you like; if the total of those powers is unlimited, those divided powers need only form a coalition, and there will be no remedy for despotism. What matters to us is not that our rights should not be violated by one power without the approval of another, but rather that any violation should be equally forbidden to all powers alike."

But before anything could come of the new constitution, the Prussian general Marshal Blucher and the British Duke of Wellington gathered 213,000 British, Prussian, Dutch, and Belgian soldiers and on June 18, 1815, routed Napoleon at Waterloo, near Brussels. Napoleon demanded dictatorial power, but Lafayette, a member of the Chamber of Deputies, demanded Napoleon's abdication. He was banished to a shabby, pink six-room house (shared with his top officers and families) on St. Helena, a British-controlled volcanic island in the South Atlantic Ocean about 1,140 miles west of South Africa, where he was to die six years later. Allied armies entered Paris on July 7, and the following day Louis XVIII was again installed at the Tuileries palace.

Constant offered an apology to Louis XVIII, and the king let him stay in France. Constant settled down with his wife, Charlotte. (Madame de Staël died of a stroke in Paris, July 17, 1817, at 51.) While trying to jump over a garden wall, he injured his hip, and for the rest of his life he needed crutches to get around.

Ultra-royalists gained a majority in the Chamber of Deputies, and they did everything they could to undermine Louis XVIII. They made divorce illegal, imposed restrictions on publishing and established the *Cours Prévo-tales*, a court to deal with defendants accused of treason. People were arbitrarily arrested, jailed for weeks without being brought to trial, then hit with long prison sentences. The Allies feared that such policies might trigger a new revolution, and they urged Louis XVIII to dissolve the Chamber of Deputies, which he did.

In 1817, the liberal-leaning Minister Elie Décazes pushed through an extension of the voting franchise to every Frenchman over 30 who paid more than 300 francs of taxes—about 88,000 out of an estimated 30 million people. Constant and Lafayette were elected from Sarthe, a district in central France. They emerged as leaders of the new Liberal party. By 1819, a new law granted more freedom of the press.

Political debates intensified. Ultras promoted their views through newspapers like *Quotidienne* and *Drapeau Blanc*. Moderates had the *Journal des Débats*. Constant edited *Minerve Française*, and there was *Constitutionnel*, another liberal newspaper.

Constant defied laws against seditious speech and writing—court decisions couldn't be appealed, and sentences were carried out within 24 hours. He produced dozens of newspaper articles and pamphlets, and he delivered hundreds of speeches. Nobody was as steadfast a champion of freedom of speech and freedom of the press. He went on to launch a campaign against the African slave trade. He kept attacking slavery for years through articles, speeches, and debates.

Constant hailed commerce which “inspires in men a vivid love of individual independence. Commerce supplies their needs, satisfies their desires, without the intervention of the authorities. This intervention is almost always—and I do not know why I say almost—this intervention is indeed always a trouble and an embarrassment. Every time collective power wishes to meddle with private speculations, it harasses the speculators. Every time governments pretend to do our own business, they do it more incompetently and expensively than we would.”

On December 22, 1824, Louis XVIII died, and he was succeeded by his Ultra-royalist brother, the Comte d'Artois, who became Charles X. He pushed for a succession of laws to imprison people found guilty of offending Catholic clergymen; to give Catholic clergy the power to appoint all teachers in primary school and to control secondary schools; and to make it illegal for anybody to publicly question the doctrine of the divine right of kings. Constant, elected to the Chamber of

Deputies from a Paris district, led the opposition.

Constant's health deteriorated seriously during 1830. His legs became swollen. He experienced paralysis in his feet, tongue, and other parts of his body. He was confined to his house at 17 rue d'Anjou, Paris. He told a friend: “I have been unable to sustain an hour's conversation.”

On May 7, the king dissolved the Chamber of Deputies and called new elections, but Liberals won 274 of the 417 seats. On July 25, the king dissolved the new Chamber of Deputies, which hadn't yet met, and announced a tougher censorship policy aimed at suppressing political pamphlets—nothing under 25 pages could be published without prior approval of censors. Journalists spurred by Louis Adolph Thiers issued a call for resistance, and the next day merchants closed their shops throughout Paris. There were riots July 28 and 29 in which some 2,000 people were killed. The king had dispatched 40,000 of his best soldiers to achieve colonial glory in Algiers, so he was caught unprepared.

Lafayette wrote Constant: “A game is being played here in which our heads are all at stake. Bring yours!” He got out of bed but soon encountered barricades that blocked many of the streets in Paris. When he finally made it to the Chamber of Deputies, they resolved to depose the king and name as the successor the Duc d'Orléans who, though related to the Bourbons, had fought as a republican during the French Revolution. Constant was among those who secured his agreement to honor the fundamental protections specified in the *Charte* of 1814. Soon afterward Charles X abdicated.

Constant died on December 8, 1830, with his wife, Charlotte, at his side. He was 63. There was a funeral service December 12 at a Protestant church on rue Saint Antoine. As his coffin was brought to the Cemetery of Père Lachaise, people waved the tricolor flags of the Liberal Party. Lafayette told the crowd: “Love of liberty, and the need of serving her, always ruled his conduct. To say this is a justice due him, over his grave, by a friend who, less trusting and temperate than he, was nevertheless the confidant of his most intimate thoughts.”

And there was this letter to Constant's wife, Charlotte, signed by 13 people in the French colonies of Martinique and Guadeloupe: "How could we forget the Honourable Deputy who by his efforts did so much to abolish, at least in part, the revolting ill-treatment of which we were the victims. . . . The entire family of coloured peoples dares to hope that in your justifiable grief you will deign to accept the expression of the regrets which his loss inspires in us—the loss of a man who was always the staunchest supporter of our rights."

Constant's most influential ideological successor was Alexis de Tocqueville (1805-1859). "The last generation in France," Tocqueville wrote, "showed how a people might organize a stupendous tyranny in the community at the very time when they were baffling the authority of the nobility and braving the power of kings. . . . When I feel the hand of power lie heavy on my brow, I care but little to know who oppresses me; and I am not the more disposed to pass beneath the yoke, because it is held out to me by the arms of a million men . . . unlimited power is in itself a bad and dangerous thing."

Although the French liberal journalist Edward Laboulaye brought out an edition of Constant's works in 1861, collectivism was coming into fashion, and Constant was re-

membered as an author of French romantic literature (mainly *Adolphe*). This view continues in some quarters—a 1993 biography of Constant, by French literature professor Dennis Wood, belittles his political philosophy. Elizabeth Schermerhorn's 1924 biography remains the best in English.

But twentieth-century government horrors have brought recognition that Constant had fantastic insight. Political theorists F.A. Hayek and Isaiah Berlin helped revive interest in Constant's political writings during the 1950s, and there was a new Paris edition of his works in 1957. In 1980, the Institut Benjamin Constant got started in Lausanne, Switzerland, and the first English-language assessment of Constant's political contributions was published—*Benjamin Constant's Philosophy of Liberalism* by Brown University political science professor Guy H. Dodge. Cambridge University Press published the first English translation of Constant's major political writings in 1988. New documents have come to light, and since 1993 the prestigious German publisher Max Niemeyer Verlag has issued the first three of a projected 40 volumes of Constant's publications, memoirs, and correspondence. Let us hope that more people will discover the genius of this great thinker for liberty. □

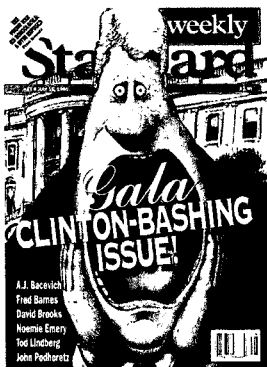
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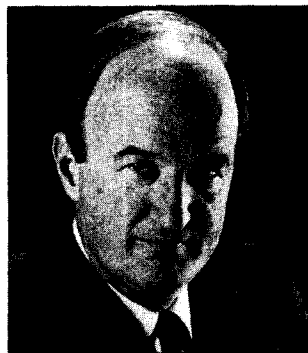
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Preaching to the Choir

“Love your enemies, for they tell you your faults.”

—*Poor Richard's Almanac*

This past summer I attended the annual meetings of the Eris Society, an organization created by investment writer Doug Casey. The purpose of the Eris Society is to expand our horizons, meet new people, make us think, and challenge our views on politics, economics, science, and philosophy. Most of the members of the Eris Society are, like Doug, libertarians. And so, not surprisingly, 18 of the 25 speakers were libertarians, even though the format of the Eris Society is officially nonpartisan. Libertarians are not alone in seeking out their own. People seem more comfortable among friendly voices. Agreement among friends seems more agreeable than argument among critics.

And yet, like many of you, I enjoy a good argument. Contending with those who disagree—sometimes violently—teaches me far more about the weakness of my arguments than talking to colleagues who nod their head. And there is nothing more satisfying than convincing an opponent of the truthfulness of a theory or policy.

Undoubtedly one of the reasons the Chicago School of free-market economics has been more successful than the Austrian School is because members of the Chicago

School have traditionally addressed the entire economics profession in mainstream journals and books, while Austrians typically spend most of their time writing and chatting among themselves.

In the early 1950s, Ludwig von Mises was invited by a major Ivy League university to give a one-hour lecture on his vision of free-market economics. He declined the invitation, arguing that it would be “impossible for me to present the operation of the market economy in a short lecture.”¹ What a pity! Surely he could have countered the anti-capitalist mentality on this major campus, even if he were limited to an hour lecture. He might have changed the minds of only one or two students or faculty members, but that’s a beginning. Eventually one or two become a group and a group becomes a school and a school becomes a movement. . . .

I always make it a point of talking, corresponding, and reading the works of non-believers and critics. I enjoy reading John Kenneth Galbraith, Robert Heilbroner, Paul Samuelson, and Alan Blinder. I’ve made a point of seeking them out at annual meetings of the American Economic Association. You may have noticed that I frequently cite critics in my columns, not because I agree with them, but because they offer a useful counterpoint. And maybe I’ve even had an impact. Sure, I gain much from reading Milton Friedman, Ludwig von Mises, Henry Hazlitt, and other free-market economists, but it’s not enough to preach to the choir.

I know many of you have a hard time

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listening to the opposition. They make your blood boil and you may be tempted to throw their book aside, walk out of their lecture, or make a snide remark. It's hard sometimes to be civil to a speaker you strongly disagree with. R. M. Hartwell, former president of the Mont Pelerin Society, urged members to be "masters of the art of civilized discourse, eschewing rudeness and what Adam Smith called 'the insolence and brutality of anger.'"²

Reading the Critics

In addition to books, there are several publications I read on a regular basis to find out what market critics are thinking and saying. Bernard Saffran writes a column in *The Journal of Economic Perspectives*, "Recommendations for Further Reading," which summarizes interesting articles written by economists of all schools of thought.

Another publication I read regularly is *Challenge* magazine, published bimonthly by M. E. Sharpe (80 Business Park Dr., Armonk, New York 10504, (800) 541-6563, \$45 a year). Most of the contributors are what we might term "social democrats," economists who favor various forms of government intervention. A recent issue included "The Case for Subsidizing Wages," by Edmund Phelps; "The Future of Macroeconomics," by James Tobin, Alan S. Blinder, and James K. Galbraith; and an article on how privatization of Social Security hurts women. *Challenge* occa-

sionally includes an article from a free-market economist, but invitations are definitely limited.

Creating a Dialogue

One of the best publications offering a dialogue among economists and social thinkers across the spectrum is *Critical Review*, published quarterly by a foundation established by Howard and Andrea Rich, who also operate Laissez Faire Books (*Critical Review*, P. O. Box 1254, Danbury, Connecticut 06813, (203) 794-1312, \$29 a year). The editor, Jeffrey Friedman of Yale University, selects a subject in each issue and invites a variety of viewpoints. For example, a past issue (Fall 1991) devoted to "Big Business" included a negative review by industrial organization expert F. M. Scherer of D. T. Armentano's *Antitrust and Monopoly: Anatomy of a Policy Failure*. Another issue (Summer 1996) highlighted "Critics of Capitalism" and included a debate between Steve Horwitz and Greg Hill on Keynesianism and market failure. *Critical Review* offers a delightful "interdisciplinary" forum for market advocates to take on market critics, and vice versa. The result is always a lively, yet scholarly, debate. □

1. Ludwig von Mises, *Planning for Freedom*, 4th ed. (Libertarian Press, 1980), p. 166. Mises declined to identify the name of the university.

2. R. M. Hartwell, address before the Mont Pelerin Society meetings in Vienna, Austria, September 1994.



BOOKS

The Cross and the Rain Forest: A Critique of Radical Green Spirituality

by Robert Whelan, Joseph Kirwan, and Paul Haffner

Acton Institute for the Study of Religion and Liberty & William B. Eerdmans Publishing Company • 1996 • 163 pages • \$16.00 paperback

Reviewed by Ken Ewert

Strident, apocalyptic environmentalist rhetoric has become a regular feature of American life. Vice President Al Gore intones that, "We must make the rescue of the environment the central organizing principle for civilization." Other eco-prophets demand a halt to economic growth, an end to market economies and industrial development, and an abandonment of the notion of "progress." Apparently we must repent of unenlightened desires to improve the quality of human life.

While perhaps not yet accepted by "the man on the street," these extreme ideas are more than trendy prattle at yuppie (vegetarian) dinner parties. The widespread preaching of environmentalism in public schools—from kindergarten through university—will have its implications. Already, according to one survey, 63 percent of schoolchildren have lobbied their parents to recycle, and the situation has one author suggesting that the traditional classroom three "Rs" are in danger of being replaced by the enviro three "Rs"—reduce, reuse, and recycle.

While numerous free-market rebuttals have been penned against radical environmentalism, for the most part these works have taken aim at the proverbial tip of the iceberg. Radical environmentalism is primarily a religion. And, as *The Cross and the Rain Forest: A Critique of Radical Green Spirituality* makes clear, it must be examined and critiqued as one. This small book, authored by Robert Whelan, Joseph Kirwan, and Paul Haffner, is a worthy start. Well researched and providing a wealth of quotations, *The Cross and the Rain Forest* is an insightful look at the philosophical footings of environmentalism.

While the roots go back much further, in 1966, the historian Lynn White gave what proved to be

a significant speech entitled *The Historical Roots of Our Ecologic Crisis*. In this speech White attributed the "ecologic crisis" to the Christian tradition. Christianity, White wrote, "insisted that it is God's will that man exploit nature for his proper ends." In what became a famous phrase, White proclaimed that Christianity was "the most anthropocentric religion the world has seen." He lamented that Christianity made science and technology possible by displacing the pagan animistic belief that everything has its own *genus loci*, or guardian spirit.

Prophetically, White called for a new religion to replace Christianity. Modern environmentalism is a significant facet of this new religion. A tired and intellectually anemic Christianity is being deposed by a very old "new" religion: neo-paganism. The current battle, then, rages not over scientific facts or economic realities, but over religious presuppositions. The decisive questions are not regarding ozone depletion or species extinction. The questions are religious: Is nature made for man, or is man made for nature? Is man uniquely created in the image of God, or is he merely one (possibly carcinogenic) part of nature? Does sin consist of breaking the laws of a holy God, or does it consist of unapologetically using nature? Is the gospel the good news of God's saving work, or the command that man conform himself to his "natural environment"?

The Cross and the Rain Forest cogently illuminates the religious nature of the conflict—a conflict not destined to be settled merely by appeal to scientific evidence or economics. The ultimate victor in this battle will be the most powerful gospel. □

Ken Ewert is the editor of U-TURN, a quarterly Biblical worldview publication.

The Economic Laws of Scientific Research

by Terence Kealey

New York: St. Martin's Press • 1996 • 396 pages • \$75.00 cloth; \$19.95 paperback

Reviewed by George C. Leef

Americans have come to accept that a vast number of important functions can only be done if they are run by or at least subsidized by the state. According to conventional wisdom, government has to provide lighthouses, bus service,

income security, schools, disaster relief, and much more. To that list we should add scientific research. Scientific research, it is generally assumed, is a "public good" that would be underprovided if left up to the market. Therefore, the government needs to supply enough funds to make sure that we don't miss out on scientific breakthroughs.

Like much that passes for conventional wisdom, this belief is mistaken, so argues Terence Kealey in *The Economic Laws of Scientific Research*. Kealey, a clinical biochemist at Cambridge University, has penned a thought-provoking book that blends economic theory with the history of science to challenge the idea that we need or even benefit from government support for scientific research. It is a book that buttresses free-market theoreticians, who will no longer have to say, "Well, in theory, there is no reason to believe that we need to subsidize scientific research." Kealey's book gives us a detailed treatment of the issue that should prove to be extremely valuable in arguing against this use of tax dollars.

Government funding of science turns out to be no better than government funding of business; the political system can no more pick winners and losers in scientific research than it can in markets for goods and services. A case in point: In 1833, Charles Babbage came up with an idea for a mechanical computing device, and managed to persuade the British government to give him £17,000 for the construction of his so-called "Difference Engine." After squandering the funds and having produced nothing, Babbage asked the government for more money for a different project, his "Analytical Engine." When it denied his request, he denounced the government for its "indifference toward science." Twenty years later, two Swedish engineers managed to build the "Difference Engine" with a grant of less than 5 percent of what Babbage spent. But they found that there was no market for the invention. Politicized science turns out to be just as wasteful as politicized housing, education, transportation, or anything else.

But if government doesn't fund scientific research, won't the "free rider" effect kick in and give us too little science? Won't organizations sit back and wait for others to undertake the basic research and then jump in to capitalize on it, getting a "free ride"? Like other claimed "free rider" problems that ostensibly call for some coercive "solution," the supposed need for government involvement in science disappears upon close examination. Kealey argues that scientific knowledge is never free. A firm can't keep up with, much less utilize current science unless it maintains a scientific staff that is

working in the field. And there is no more need for the state to subsidize a firm's costs of acquiring scientific knowledge that might prove profitable than there is for it to subsidize the acquisition of any other kind of useful knowledge.

Moreover, the author argues, government funding of science may well be a negative-sum game. Governmental money does not *augment* private scientific spending; it *replaces* it, often at more than a one-to-one ratio. Thus, we get less scientific research that someone thought held enough promise to justify voluntary expenditure (i.e., was expected to pass the test of the market) and more scientific research of the sort that appeals to federal grant administrators. That is a bad trade-off indeed.

The Economic Laws of Scientific Research also obliterates the "market failure" argument used to justify government intervention. There is no defect in the market for scientific information that requires us to tax the populace, send money off to Washington, and then rely on bureaucratic granting agencies to make the optimal use of it by shipping it off to scientists who want support. We would be better off if we took the government out of the loop.

Terence Kealey has written a witty, well-argued book showing for the nth time that the market outperforms its statist alternative. An excellent addition to the literature of market success and government failure. □

George C. Leef is the book review editor for The Freeman.

PBS: Behind the Screen

by Laurence Jarvik

Prima Publishing • 1997 • 362 pages • \$25.00

Reviewed by William H. Peterson

"If PBS won't do it, who will?"

Clever PBS slogan all right, but as to the part about "who will?"—how about the Discovery Channel, the History Channel, A&E, and other upscale, if for-profit, TV channels? Recall, PBS stands for *Public*—repeat, Public, which means, translated, government-supported—*Broadcasting System*, a 1,000-station radio and TV network of news, instruction, and entertainment.

Currently PBS is the recipient of much sought-after federal funding to the tune of some 14 percent of its estimated \$2 billion budget, or about \$280 million, while garnering but two percent of the U.S.

audience. Viewer, listener, foundation, and corporate support along with some state and community funding cover the rest of the budget.

One rub with government funding, says Laurence Jarvik, then of the Capital Research Center, a Washington-based think tank, is its liberal ideology, an ideology that permeates its programs.

A related rub is its forcing legions of nonviewers and nonlisteners of PBS, who happen to be taxpayers, to fund something not of their choice. These trapped forgotten men and women prefer to watch football, baseball, basketball, sitcoms, movie reruns, local and national news, and the like on ABC, CBS, NBC, and Fox-affiliated TV stations, yet they must pay up nonetheless. Jarvik also charges wasteful redundancy in the 300-station PBS TV network. (I attest the charge: As a D.C. resident I easily tune in either PBS Channel 26 in D.C. or PBS Channel 22 in Baltimore.)

Jarvik concedes the many quality shows presented by PBS, including "Nova," "The Civil War," and "Masterpiece Theater," with its own unforgettable "Upstairs, Downstairs" series. He is also struck by William F. Buckley Jr.'s "Firing Line" and Milton Friedman's "Free to Choose" series for their conservatism/libertarianism.

But he charges that "Firing Line" represents "the triumph of tokenism" and all manner of subtle and unsubtle putdowns of host Bill Buckley and his producers. And he recounts the trials and tribulations of getting "Free to Choose" on the air. President Gerald Ford appointed conservative economist W. Allen Wallis as PBS board chairman. Wallis quit after a year, "disgusted" at the PBS lack of balance—its liberal ideology. For example, well before "Free to Choose," PBS staged liberal John Kenneth Galbraith's "Age of Uncertainty" TV series, with host Galbraith ever calling for state interventions as solutions of national economic problems such as high unemployment. Galbraith touted Keynesian fiscal measures and other central planning ideas. Natch.

Friedman's name, when it came up, was anathema to PBS executives. They rejected his laissez-faire policies, his seeing government as the problem and not the solution. Wallis says PBS viewed Friedman as "a fascist, an extreme right-winger and didn't want anything to do with him." That would've been the end of the story were it not for a fluke: a *conservative/libertarian* PBS station manager of WQLN in Erie, Pennsylvania, and a gifted fund-raiser, Robert Chitester.

Chitester had also found the Galbraith series statist and one-sided. He drove over to the nearby University of Rochester campus to lunch with its renowned chancellor, the self-same W. Allen Wal-

lis. Chitester asked Wallis to name someone to rebut Galbraith. Wallis suggested Friedman. Chitester agreed and raised the necessary seed money. Friedman was at first reluctant, but wife Rose helped persuade him. So was born an amazing counter-Galbraithian PBS TV series, Friedman's "Free to Choose," still available on videotape. The rest, as is said, is history.

Concludes Laurence Jarvik in this excellent exposé of politically correct PBS: "If one truly values freedom, especially freedom of speech, one must honestly recognize that a free marketplace of ideas cannot possibly exist in an intellectual and administrative environment hostile to the very concept of the free market itself."

Amen.

Dr. Peterson, adjunct scholar at the Heritage Foundation, is the Distinguished Lundy Emeritus Professor of Business Philosophy at Campbell University, Buies Creek, North Carolina.

Faith of Our Fathers

edited by Mary Sennholz

The Foundation for Economic Education • 1997
• 398 pages • \$19.95 paperback

Reviewed by Norman S. Ream

Although it cannot be established that Alexis de Tocqueville actually wrote his much quoted words to the effect that "America is great because America is good," that conclusion seems more and more to be verified by the passage of time as the greatness of America fades along with its goodness.

Tocqueville was convinced, as have been the majority of our best historians, that Americans of the eighteenth century were dedicated to the moral and ethical precepts of Jesus and the New Testament. That indeed was the "Faith of Our Fathers." The idea that many of the Founding Fathers were atheists and agnostics is completely false. Not only were most of them devoutly religious, they firmly believed that liberty and justice depended on an observance of the moral and ethical demands of the Christian religion. A people desiring individual freedom and national prosperity had of necessity to be guided by high standards of morality and ethics and a condition could grow and develop only out of a strong religious faith. These were the ideas whose consequence would be "one nation under God with liberty and justice for all."

These are also the ideas and principles that have

been nourished and advocated by The Foundation for Economic Education and its journal, *The Freeman*, for the past several decades. Now Mary Sennholz has culled from that journal 25 of the best articles concerning the faith that made America great, the ideas and principles that produce a happy and prosperous citizenry and how the great blessings of liberty can be preserved. As the editor states in her introduction, "The moral and self-evident truths that guided our Founding Fathers may not be fashionable in our time, but they are as inescapable and inexorable as they have been throughout the ages. We are free to ignore and disobey them, but we cannot escape the rising price we must pay for defying them."

The book is in four sections designated: I. The Spirit of '76; II. A Biblical View; III. The Rights of Man; and IV. The Crisis of Our Age. Among the authors well known to *Freeman* readers are Clarence Carson, George Roche, F. A. Harper, Ben Rogge, John Williams, Ed Opitz, and Erik von Kuehnelt-Leddihn. The authors agree that the crisis facing America today is not an economic nor a political one but a moral and spiritual one. It is a crisis of character that has produced a crisis of behavior, a poverty of values caused by a poverty of faith.

It is within the limitations of this Faith of Our Fathers that the authors included here believe any economic and political system must operate if it is to preserve and protect individual freedom. It is a faith in universally valid principles and objective truths which hold man to be ultimately responsible for his own welfare and considers it immoral for government with its monopoly of power forcibly to take from one citizen in order to give to another. Hence this faith becomes the source of the free-market philosophy.

Again, as the editor insists, "To the Founding Fathers, the God of nature and the God of Scripture was the same God. Surely there were differences in the understanding of natural law and the interpretation of revealed law, but the differences did not raise a doubt on the common bond, the Judeo-Christian faith. It was a spiritual and moral foundation on which America was built."

It is the same spiritual and moral foundation that shall make it possible for us to endure as a "great and good" nation with liberty and justice for all. □

Norman S. Ream is a retired minister living in Estes Park, Colorado.

The Cross and the Rain Forest

A Critique of Radical Green Spirituality

Robert Whelan • Joseph Kirwan • Paul Haffner

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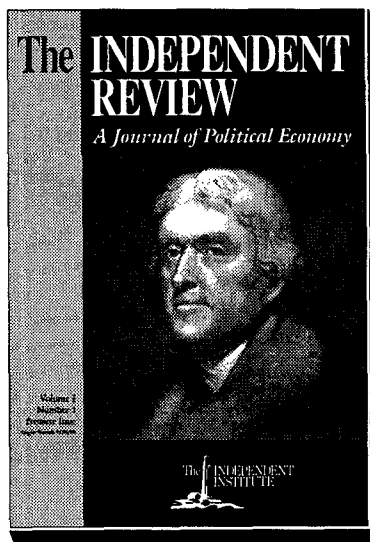
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